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LATIN AMERICA REPORT

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CONTENTS

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Briefs

Guatemalan-Honduran Trade Agreement Ends	1
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ARGENTINA

External Influences Intensify Regional Border Conflicts (Editorial; LA PRENSA, 4 Mar 83)	2
Leading Economists Comment on Sharp Drop of GDP (LA PRENSA, 8 Mar 83)	5
Clean Sweep of Top Military Prerequisite to Political Stabilization (J. Iglesias Rouco; LA PRENSA, 4 Mar 83)	8
Gonzalez del Solar Explains Foreign Debt Discrepancies (Alfredo A. Duran; SOMOS, 4 Mar 83)	11
Rio Santiago Shipyard Launches Second Meko-140 Corvette (LA PRENSA, 4 Mar 83)	17

CHILE

Exports of Ocean Products Increase 18 Percent in 1982 (EL MERCURIO, 24 Feb 83)	19
Briefs	
IANSAs Plant Reopening	21
French Aircraft Sale Denied	21
New Fleet Commander	21

COLOMBIA

Supreme Court Ruling on Tax Measures Detailed (EL TIEMPO, 24 Feb 83)	22
Measures Declared Unconstitutional, by Jaime Horta D. Emergency Decrees Enumerated Tax Chaos Created Text of Article 122	

CUBA

Electricity Production for 1982 Reported (Receca Antunez; TRABAJADORES, 7 Jan 83)	32
Metallurgical Workers Production for 1982 Reported (Telleria Alfaro, Rebeca Antunez; TRABAJADORES, 10 Jan 83)	34
Rodriguez Interviewed on Nonaligned Movement (Carlos Rafael Rodriguez Interview; UNOMASUNO, various dates)	36
Official Discusses Roundtable on U.S. (Havana International Service, 14 Mar 83)	44
Hart Praises Spain's Position on El Salvador (EFE, 16 Mar 83)	46

GUATEMALA

Sugar Industry Asks Repeal of Government Agreement (PRENSA LIBRE, 10 Feb 83)	48
Coffee Producers Confronting Financial Difficulties (PRENSA LIBRE, 4 Feb 83)	49
Briefs	
MLN Leader Denies Rift	51
New Military Zone	51
Thousands Emigrate to Mexico	51

HONDURAS

Reportage on Nicaraguan Miskito Indian Refugees (LA PRENSA, various dates)	52
Population Figures Abuse in Nicaragua Recounted, by Nelson Fernandez Camp's Refugees Mostly Children	
Central American Conference on Refugees Urged (Editorial; LA PRENSA, 1 Feb 83)	55

Official Defends Cut of Subsidies to Peasant Organizations (Angel Maria Velazquez; LA PRENSA, 5 Feb 83)	57
Briefs	
Coffee to Arab Nations	59
MEXICO	
Program To Generate Up to 700,000 Jobs (Isabel Zamorano; EXCELSIOR, 19 Jan 83)	60
Tabasco Bishop Sees Lack of Genuine Dialogue (EXCELSIOR, 4 Feb 83)	63
Complaint of Land Seizures: Guerrillas Mentioned (LA VOZ DEL SURESTE, 28 Jan 83)	64
Briefs	
New Mexican Ambassador to Yugoslavia	65
NICARAGUA	
Socialist Party Issues Political Resolution (BARRICADA, 31 Jan 83)	66
FPR, French Group Discuss Political Situation (EL NUEVO DIARIO, 5 Feb 83)	68
VENEZUELA	
LAGOVEN Under Investigation for Alleged Irregularities (ZETA, 13 Feb 83)	70
Foreign Debt Reportedly Threatens Economic Independence (ZETA, 13 Feb 83)	72
Prospects for 1983 Economic Recovery Viewed (Ramon Dib Hernandez; RESUMEN, 6 Feb 83)	76
Oil Revenue Drop Expected To Boost Export Diversification (EL DIARIO DE CARACAS, 11 Feb 83)	78

BRIEFS

GUATEMALAN-HONDURAN TRADE AGREEMENT ENDS--San Pedro Sula--Minister of the economy Julio Matheu revealed today that the preferential treatment enjoyed by Honduran products entering Guatemala has ended. This action was the result of recent talks held in Honduras between the ministers of the economy of Honduras and Guatemala. The minister explained, "Under the preferential treatment agreement, goods originating in Honduras entered Guatemala free of taxation, but not goods sent to this country from Guatemala which were taxed at a rate of up to 25 percent. Lastly, Matheu reported that next week the Honduran Delegation for Economic Integration will go to Guatemala to continue talks leading to the signing of a new bilateral commercial agreement between the two countries. [Text] [San Pedro Sula LA PRENSA in Spanish 29 Jan 83 p 3] 9787

CSO: 3248/555

EXTERNAL INFLUENCES INTENSIFY REGIONAL BORDER CONFLICTS

Buenos Aires LA PRENSA in Spanish 4 Mar 83 p 1

[Editorial: "Disputes in Latin America"]

[Text] The persistence of border problems in Latin America is creating an atmosphere of perpetual uneasiness that conspires against joint work and general progress.

Whether over the demarcation of territorial limits or the ownership of continental shelves that are supposedly rich in hydrocarbons or, in some cases, over claims to rights whose legitimacy is beyond question, the disputes continue and, in general, are worsening over time. The biggest problem is the delay in arriving at definitive, clear-cut solutions, because this inevitably leads to ongoing, methodical and always costly preparations for war. The bulk of financial, economic, industrial and technological resources are employed to achieve this main goal, while illiteracy, disease and unemployment wreak havoc with our societies.

Around 20 territorial disputes disrupt good relations between nations from time to time, taking precedence over the need to achieve the harmonious development of the Latin American community. We must acknowledge, of course, that not all of these difficulties have their origin in the the lack of willingness or in the powerlessness of government leaders to resolve them. We can clearly see political and ideological interference from outside the continent, interference heightened by other forms of meddling that seek to satisfy colonialist desires that are incompatible with the social and political evolution of our day and age. In this regard, the issue confronting Argentina in connection with the United Kingdom requires no comment. The conflict over our Malvinas has become a focal point of tension and an ongoing threat to peace. This is also the case elsewhere on the continent, such as in what used to be British Honduras, now called Belize, a State that Great Britain created by force of arms at Guatemala's expense. We see another instance in the Essequibo territory, which the British crown snatched from Venezuela and which eventually became part of Guyana, a member of the Commonwealth. As our country does in defense of its southern islands, Guatemala and Venezuela are demanding the return of territories of which they were arbitrarily robbed.

If we have mentioned political and ideological meddling from outside the continent, it is because it is designed to exacerbate rivalries and suspicions that ultimately serve to weaken the groundwork for hemispheric unity. Cuba, in the very heart of the Caribbean and receiving generous amounts of weapons, funds and technical and logistic aid from the Soviet Union, is furnishing unlimited support to Nicaragua, which it is stirring up against Honduras, which has been accused of encouraging anti-Sandinist activities. Havana is also providing support for the guerrillas in the Farabundo Marti Front in their battle with the government of El Salvador, where a devastatingly cruel war with international overtones is being fought.

We should clarify, however, that aside from these confrontations that have been instigated or encouraged by extracontinental powers, other conflicts have taken shape in the hemisphere over differences that have heightened over time, in the pursuit of manifestly expansionist ambitions and plans. Otherwise, our longstanding dispute with Chile over the Beagle would have been settled many years ago, with an acknowledgement of Argentina's indisputable rights to the islands in question. Our neighbor across the Andes would have made no less of a contribution to peace by taking a restrained approach in dealing with the grievances raised by Bolivia and Peru, the roots of which go back a whole century to the 1879-1884 War of the Pacific.

With a modicum of understanding and good faith, many other sources of conflict between bordering nations would have become just unpleasant memories. Nicaragua and Colombia have been unable to resolve their differences over the ownership and control of the Caribbean keys called Roncador, Quitasueno and Serrana, which the Bogota government now administers; Colombia and Venezuela continue to bolster their Armed Forces in the eventuality that their talks on demarcating the continental shelf are suspended; Ecuador is demanding that Peru return the Amazon territory that it lost in the war of 1941 and that gave rise to fighting there in January and February 1981.

This bleak panorama would look even worse if we added the list of angry disputes over inadequate internal boundaries in a number of countries. Our country must be included on this discouraging list, inasmuch as it has not conclusively resolved its provincial border problems. Some days ago we reported with regret on an incident involving police from Jujuy and Salta as a result of a border dispute that the two northern provinces have failed to settle. At the same time, the longstanding quarrel between La Pampa and Mendoza over the Atuel River, which no longer flows through the parched Pampas, has flared up again. Rivers that ought to unite, divide. This observation also applies internationally; we already know that the mighty Parana has prompted verbal confrontations over its upstream utilization by Brazil.

In an editorial last 28 June we voiced agreement with an article by journalist Jean-Claude Buhrer in LE MONDE, in which he listed 17 territorial conflicts in Latin America, with the well-known escalation of the arms

race, notwithstanding the common origin of the peoples here, who profess the same religion and speak practically the same language. The picture that Buhrer paints and that the facts confirm is disquieting. We would say that the differences that have arisen between neighboring nations have caused them to ignore the greater dangers that loom on the international horizon, as well as their duty to act in common cause and in keeping with the philosophy that continental independence and collective well-being come before all else.

8743

CSO: 3348/234

LEADING ECONOMISTS COMMENT ON SHARP DROP OF GDP

Buenos Aires LA PRENSA in Spanish 8 Mar 83 Sec 2 p 2

[Text] Economists from the major political parties and business leaders reiterated criticism of the government's economic policy, citing it as the main cause of the decline in the gross domestic product (GDP).

According to Peronist Eduardo Amadeo, the drop in the GDP comes as no surprise, because the government's figures have only served to confirm everything that was known.

He added that, "When viewed dispassionately, without any background information, the figures from the Ministry of Economy are better than the reality, because they do not say that the fleeting industrial improvement of the past quarter was based on a retroactive gross redistribution of wages enacted by the Dagnino Pastore-Cavallo group.

UCR

Enrique Garcia Vazquez, a member of the Radical Civil Union (UCR) economic group, and former vice-president of the Central Bank (BCRA), declared: "We shall have to find out whether the decline was only in the public sector or simultaneously in the public and private sectors, but I believe that the structure has declined simultaneously in both sectors."

As a positive element, he stressed the recovery of the industrial sector, "as a result of the measures enacted by Domingo Cavallo," but he asked: "How long will it continue?"

He concluded by saying: "The government is treading a narrow path between inflation and recession, with hazards on both sides. The slightest mistake in direction would prove fatal for it."

MID

Rogelio Frigerio, vice-president of the Integration and Development Movement (MID), for his part, claimed that, "The drop in the GDP which occurred in 1982 is further dramatic evidence of the consequences entailed for the country by the model of economic development applied since 1976."

He added: "It is also an eloquent retort to the statements of the minister of economy, who claims to have changed the model, because he has made alterations in the exchange system."

Concerning this subject, he went on to say that, "Those statements prove the absolute lack of understanding among the government economists, and other self-styled liberals of what is happening in the area of what is the basis of the economy, namely, production."

Socialists

Humberto Schiapparelli, a member of the Popular Socialist Party (PSP) commission on economy, remarked that, "The 5.7 percent decline in the GDP during 1982 confirms once again the implementation of Martinez de Hoz' economic plan, which has only been modified."

Schiapparelli commented: "The degree of dependence of our economy, in the hands of big international financial capital, has brought about its systematic destruction during recent years."

UIA

In the business area, the head of the Argentine Industrial Union (UIA), Jacques Hirsch, in response to a request from Argentine News, responded: "The drop in the GDP is a worldwide phenomenon, although not so deepseated and prolonged as in the case of Argentina."

Hirsch stated: "The very particular and most penetrating features of the Argentine recession are the essential elements against which UIA has been fighting for the past several months."

Hirsch claimed: "Some fundamental measures are needed to reactivate the industrial sector, such as the implementation of exchange and financial policies in keeping with the profitability of the business firms."

According to the chairman of UIA's commission on small and medium-sized business, Miguel Aidar, the figures put forth by the Palace of Finance "are truly alarming, although to tell the truth they should not surprise anyone."

Aidar noted: "We shall come out ahead only by reversing everything, applying a policy of negative interest rates, with real wages that will allow for the recovery of the domestic market, and with an overall plan that will put an end to this strategy that is still inspired by the Martinez de Hoz model."

CAME

Finally, the chairman of the Commercial Business Activities Coordinating Entity (CAME), Juan Carlos Lightowler Stahlberg, claimed that, "The figures on the GDP only confirm what we commercial businessmen have often cited."

"There are even data to which little significance has been attached, such as the 9.6 percent decline in consumption and the 19.2 percent drop in investment, which amounts to 41.2 percent for the 2-year period. And after that disinvestment, we should begin wondering what kind of GDP we shall have in 1983; although now, at these levels, it could not continue to decline much more."

2909

CSO: 3348/252

CLEAN SWEEP OF TOP MILITARY PREREQUISITE TO POLITICAL STABILIZATION

Buenos Aires LA PRENSA in Spanish 4 Mar 83 pp 1, 8

[J. Iglesias Rouco Commentary: "The Need for Change"]

[Text] Many European foreign ministries and some American circles seem to have reached the conclusion that no more or less democratic "institutionalization" is possible in Argentina unless the top echelons of its Armed Forces are completely revamped, which would also make it easier to resolve the extremely serious problems that have been inherited from the "process," such as the missing persons and the Malvinas. Hence the commissions that European parliaments have set up to investigate the disappearances of their nationals here; the mounting pressure from Rome in connection with the Beagle, and the overseas condemnations of our military's performance in the archipelago, many of which coincide, furthermore, with the criticisms leveled here at superior commands by various military circles, who also object to Bignone's plan for elections as he and the Junta are putting it into practice. Just as last July and August, Europeans and Americans are pointing out, and with good reason, that they do not know with whom "to talk" in Argentina, because neither the Junta nor the government represent or express the will of most of the Armed Forces any longer, and, therefore, that anything they do is doomed to failure. They are thus asserting that the superior officers who are directly involved in the "process" must immediately yield their posts to their subordinates and Bignone to a provisional civilian government (maintained by "renovated" Armed Forces) that would be in charge of the elections, though still adhering to the Junta's schedule for them.

This stand by the West, which is largely shared by the Vatican, is unquestionably motivated by self-interest. Great Britain, for example, cannot continue indefinitely to spend hundreds of millions of dollars in the Malvinas. Hence, it must decide between two paths as soon as possible: either organize a military operation against southern Argentina, perhaps in connivance with Chile, in order to decide the zone's strategic future for many years to come (which might cause problems for it with Washington and within NATO itself), or safeguard Western interests (not necessarily or solely British interests) there through an accord with Buenos Aires. London feels that an accord would be the best option, as long as it does not contradict the arguments that the British maintained

during the conflict and as long as it is consistent with the points in their 17 May proposal, but London cannot negotiate such an accord with the same regime that waged war against it. There must, therefore, be an urgent and formal break in the "process," so that the next constitutional government does not inherit the commitments of its leaders. We could say the same about the Church in connection with the Beagle and about the United States too, which is more interested than anyone in quickly eliminating these two major sources of strategic instability in the southern region, under cover of which the Soviet Union continues its disturbing economic, technological and, yes, strategic penetration of Argentina. In a word, in light of these interests, which have little or nothing to do with our specific political future, Western governments and the Western press could be described as "advocating a coup."

In recent days Bignone and the Junta seem to have finally grasped the scope of this Western position, but they also continue to show their determination to oppose it. The reports from military sources about the government's willingness to accept, before the elections, the pope's "proposal" (subject to subsequent approval by the future parliament) certainly help to mitigate the Vatican's haste and, therefore, its pressures on the top military echelons. Nevertheless, this sensible move (the substance of the "proposal" aside) does not square at all with the active Third World politics that Buenos Aires is now pursuing within the nonaligned movement after an absurd speech by the president (regardless of how hard Mr Wehbe tried to explain to his Western colleagues in New York that such politics are only "for the gallery") nor with our country's vacillations and timidity in relation to the Malvinas. Above and beyond words, the two stands simply demonstrate, especially to suspicious Europeans and Americans, that the current leaders of the "process" intend a domestic political status quo. In any event, they will not dissuade Europe and the United States from trying to bring about changes in Argentina's military leadership before the elections.

For many months now, and for national reconstruction purposes far removed from the objectives that other countries are pursuing here, we have also been stressing the need for such changes. Even before the surrender at Puerto Argentino, we said that the "process" was dead and buried and that the people in charge of it ought to acknowledge their failure and withdraw, thus opening the door to a new military leadership and a provisional civilian government whose mission would be both to prepare for elections and to lay the groundwork for a democracy, based on a national pact, that would prevent the ballot box from causing us a fresh disappointment. The confrontations in February between top military officers and the parties, between the Junta and the presidency, between subordinate and intermediate officers and their nominal commands, and among the various party factions, together with the obvious alienation or mistrust of an electorate that more than 6 months into the "institutionalization" campaign is still reluctant to register its party affiliation and continues to voice its confusion, all this makes the change that we called for then more imperative than ever. The latest developments merely show, once again, that what has been exhausted

here is the political and military "establishment." Everyone knows that with or without elections, this "establishment" cannot lift the nation out of its stagnation.

Thus, over the coming months foreign pressures will find more and more involuntary backing, even among fervent patriots, and the worst thing is that the external objectives that would be achieved today through timely change might ultimately go unfulfilled. Consequently, we are obliged to reaffirm that in the 8 remaining months before the elections, a housecleaning must be undertaken here, to include the following elements, in addition to the voluntary retirement of superior Armed Forces officers and the formation of a provisional civilian government:

- 1) The withdrawal from public life by politicians and labor leaders who occupied major political or administrative posts (ministers, secretaries general, deputies, senators, etc) over the past 20 years;
- 2) The formation of a constituent assembly, with equal representation for all parties. Its task would be to work out a basic consensus or emergency pact and an election system in accordance with the constitution that allows voters to choose one candidate per district and enables independents to run. This would help to bring new blood into party leadership bodies;
- 3) Recognition of the right of all citizens to take part in the internal elections of parties, whether or not they are affiliated with them;
- 4) Total assumption by the State of its responsibilities in connection with missing persons, along with explicit condemnation of the system of repression that caused their disappearance, as well as an investigation into the origins of the foreign debt and the many charges of financial corruption, with the appropriate sanctions. A political trial for those who made political and strategic decisions in the war with Great Britain;
- 5) A general "amnesty" or "reconciliation" once the above points have been taken care of, and special emergency legislation to deal with any renewed outbreak of subversion;
- 6) Absolute freedom of speech and information, with the regular courts being the only recourse in the event of excesses or false accusations, without any prior "administrative" actions (shutdowns, impounding editions, etc) and with the state-run media jointly and equally administered by all parties.

Some of these points, such as the legal determination of responsibilities, could be attended to after the elections or during the constitutional government, which will also have a great deal of organizing to do. In our opinion, however, Argentina will be on solid ground only if all these points are carried out.

GONZALEZ DEL SOLAR EXPLAINS FOREIGN DEBT DISCREPANCIES

Buenos Aires SOMOS in Spanish 4 Mar 83 pp 42-44

[Article by Alfredo A. Duran: "The Uncovering of the Debt"]

[Text] "What is the amount of the foreign debt?" The question, put to the minister of economy during the luncheon held by the Commercial Entities Union of the Argentine Republic on 28 December, had greater repercussions than Jorge Wehbe could have foreseen at that time. Following his erroneous response (a difference of \$5 billion) a kind of public debate was begun concerning Argentina's cumulative commitments abroad. Wehbe's acknowledgment of the mistake did not suffice to calm emotions and so, upon his return from the United States, the first task that the Central Bank had to undertake was that of preparing a report which was released on Friday, 25 February. On that day, through a "communique," it was announced that: as of 31 December 1982, the registered foreign debt amounted to \$38.736 billion, including \$2.760 billion in arrears which occurred after the Malvinas conflict. By 31 December 1983, it is estimated that these arrears will be covered, and that the foreign debt will have increased by another \$1.040 billion, totaling \$39.776 billion.

As a result of the operations arranged with the creditor banks, the composition of the latter figure has undergone a major change from that of 31 December 1982: While the public sector's debt has increased from \$22.005 billion to \$30.805 billion, that of the private sector has declined from \$13.971 billion to \$8.971 billion. The president of the Central Bank, Julio Gonzalez del Solar, told SOMOS: "The reduction in the private foreign debt, and the simultaneous rise in that of the public sector, is due to the fact that the national government assumed responsibility for the payment in hard currency of liabilities charged to private entities which were short-term, about 6 months in duration. The government has offered the foreign creditors payment of those amounts in 5 years, with a 3-year grace period. The unavoidable prerequisite is that the Argentine private debtors must first pay the Central Bank in pesos the total amount of dollars for which the government will be assuming responsibility in order to make the payment abroad."

The Arrears

Another explanation referred to the payment of the arrears accumulated during 1982, totaling \$2.760 billion: \$2.104 billion in the public sector (basically interest), and \$656 million in the private sector (\$917 million less than on 30 June, the payments of which were authorized). Gonzalez del Solar told SOMOS: "The arrears are of two types: for current payments, in other words, imports, services, freight

charges and normal transfers abroad, as well as others associated with services on the term debt (amortization and interest). In the current statistics, a division has been made into term debt yet to fall due, and term debt overdue. The latter, plus the current payments, comes within the category of arrears. The amount relating to amortization that should have been made in 1982 and will be made in 1983 is to be extended to a 7-year term, but the payment of the interest, plus the current payments which were not made, will be kept up to date. We reckon that, by the middle of the year, we shall have no further arrears."

The Terms

The Central Bank reported that, by means of the refinancing agreed upon with the International Monetary Fund and the creditor banks (\$17.330 billion), a change was made in the "profile of the foreign debt," out of the total of which (\$38.736 billion as of 31 December 1982) \$18.917 billion (49 percent) would fall due in 1983, to be sure without any possibility of payment (see chart). With the refinancing that has been arranged, this year there will be no capital amortization (only the interest will be paid), and there will be left for 1984 bills payable in the amount of \$9.523 billion, equivalent to 24 percent of the total; while 47 percent of the \$39.776 billion debt estimated for the end of 1983 will continue to 1987, and subsequent years. Hence, a considerable alleviation has been achieved; but two conclusive facts have been stated (without any official comment).

As in the case of other countries heavily in debt (Brazil, \$88 billion, Mexico with slightly less and Venezuela nearly as indebted as Argentina), the interest is paid but the capital owed is not amortized.

In 1984, the new government will have to negotiate with the Fund and the foreign creditors the method for refinancing the \$9.523 billion falling due in that year. These are some of the topics that Wehbe and Gonzalez del Solar are discussing with economists from the leading political parties at informational working luncheons which constitute a beginning of coordination.

Under Control

The trend in the Argentine foreign debt since 1975 (see chart) shows that the large increments occurred in 1978, 1979, 1980 and the first half of 1981. It was subsequently controlled, and since the Malvinas war it has been virtually frozen. Of the \$22.005 billion foreign public debt as of 31 December 1982 (over \$2.104 billion in arrears), \$15 billion plus is accounted for, in order of size, by Government Oil Deposits, Water and Power, SEGBA [Greater Buenos Aires Electrical Services], Argentine Railroads, ENTEL [National Telecommunications Company], Argentine Airlines, State Gas, Government Coal Deposits and North Patagonian Hydroelectric. Its refinancing on 7-year terms has been agreed upon and is in an advanced phase of negotiation (see SOMOS No 336). There are other important items on which no information is available, such as what remains of the \$9 billion in arms purchases made between 1977 and 1981. An economist told SOMOS: "The fact is that there are some state agencies which are more agencies than others." And he added: "If one wants a better understanding of how the debt of \$9.738 billion at the end of 1976 increased to the present \$38.736 figure, he need only add over

\$10 billion accumulated by the current account deficits in the balance of payments during the period 1979-81, the \$11 billion which Argentine principals have deposited or invested abroad and the arms purchase."

Keys

In Washington and New York, Wehbe and Gonzalez del Solar arranged details of the manner in which the negotiation of the public agencies' debts will be carried out. The other operations have been completed. Now, the respective contracts are being drawn up, so as to start the disbursements. This was reported by Gonzalez del Solar in an exclusive interview with SOMOS, in which he discussed the procedures carried out in the United States and the international financial situation.

"The IMF's Acting Committee dealt with the increase in funds in the manner already known (he said); but there is something that should be stressed: There was a very stimulating and constructive joint effort to expend all the efforts of each country on behalf of the preservation of the international financial system. That preservation consists of preventing the international loan market from drying up, and preventing the countries which were in the habit of lending to developing nations from suddenly stopping the flow of funds to the countries in a state of development. The small banks (in the outlying sections of the United States, Great Britain, Germany or France) do not actually have as their main function that of approaching the world of international lending. They are the ones which are most timid, and their stockholders have found the attitude of the board members of those banks reprehensible, since they have frozen their assets in extraterritorial loans, thereby curtailing the granting of loans in their natural spheres of influence. Keeping all the banks, large and small, in the international loan market has been the main concern of the International Monetary Fund; because it is based on the premise that unless their efforts to aid countries such as Argentina, Brazil and Mexico, which have adopted serious programs to reconstruct their economies, are also backed by the large and small international banks, the effort could prove fruitless, or not sufficiently effective to ward off the danger of a collapse in the financial system."

Collapse

Of what would that collapse consist?

"If the indebted countries do not find a way of extending the term of their debts and of seeking new funds for keeping up to date in the payment of their interest in arrears, the creditor banks would find that their loan portfolios were frozen, and the technical relations between their holdings and the loans would deteriorate, and many banks would be left in a liquidation position."

Do you think that the problem has been satisfactorily solved?

"It has been limited, in the sense that the banks have decided to give the debtors terms for the payment of their debts, and have decided to make new funds available to them so that they may pay the arrears in their current liabilities."

Is it the same for Argentina, Brazil and Mexico?

"Essentially the same, although there are some fundamental differences. Argentina has had the good fortune of a positive balance in its trade for the past 2 years, but it has had the bad luck of a very low gross domestic product level and a very high inflation rate. Therefore, the Argentine program is an expansion program. Unlike Argentina, Brazil and Mexico do not anticipate a rise in the gross product, but rather the maintenance of the current levels, or perhaps a reduction. They do not anticipate a change in the structure of public activity, but merely a reduction in public spending, but on investments; because they are not in a position to withstand a rise in imports, since their balance of payments is far more unstable than that of Argentina."

The Solution

And what is the actual solution?

"At the meeting of the Fund's Acting Committee, there was consensus that the prospects for the international economy are not favorable. Everyone is agreed that the best source of funds for coping with the debt payments (or the only one) is the procurement of genuine funds through trade; but the industrial countries' imports are down, and the developing countries' exports are undergoing deterioration in terms of exchange."

The Rates

And what chance is there of a drop in the United States' interest rate?

"If that were to occur, we would accrue two major benefits: the cost in dollars of the interest that we are paying on our debt would decline and, moreover, the United States would have a less positive balance of payments, which would lead to a lesser strength of the dollar on the international market, and an eventual improvement in the prices of our products. In the United States, the calculations are based on a 4 percent increase in the GDP and 4 percent inflation, bringing about an 8 percent increase in monetary expansion, which is considered more than sufficient to prompt a reduction in the interest rate, from a technical standpoint. But so long as there persists in the United States the fear of a greater inflationary process brought on by a public deficit amounting to \$235 billion, caused largely by the increased spending on arms, which is rising at the rate of 8 percent per year in real terms, it would be very difficult, with those expectations, for the interest rate to receive the entire impact of the monetary signals from the Federal Reserve, and for this to be reflected in price reductions."

Will it be possible to reduce the countries' foreign debts?

"Just as large companies increase their indebtedness when they grow, the same thing happens to countries as they develop. What the indebted countries do to pay liabilities with a certain due date is to assume new liabilities for even larger amounts. So, it is not to be expected that the foreign debt capacity of the countries will decline when it is accompanied by a growth in their own domestic economies which, in turn, depends on their savings capacity. Since the developing countries do not have much savings, they are forced to borrow; and this means that there will be an

almost irreversible tendency toward an increase in the foreign debt, as their gross domestic product continues to grow. At the present time, the North American banks are organizing a general informational system to ascertain the extent to which a country can become indebted, based on its capacity for paying the interest on the debt. We have proposed that it be a two-way street: I report to you, and you report to me. We also want to know the extent to which they are able to expand or contract the fluidity of the financial market, for reasons associated with their domestic policy.

Bills Payable on the Registered Foreign Debt (in millions of dollars)

Years	Public Sector		Private Sector		Total	
	Current	Refinanced	Current	Refinanced	Current	Refinanced
1983	9,899	-	9,018	-	18,917	-
1984	1,884	4,079	2,082	5,444	3,966	9,523
1985	2,045	2,745	1,139	1,139	3,184	3,884
1986	2,287	6,865	790	790	3,077	7,655
1987 and beyond	7,994	17,116	1,598	1,598	9,592	18,714
Total	24,109	30,805	14,627	8,971	38,736	39,776

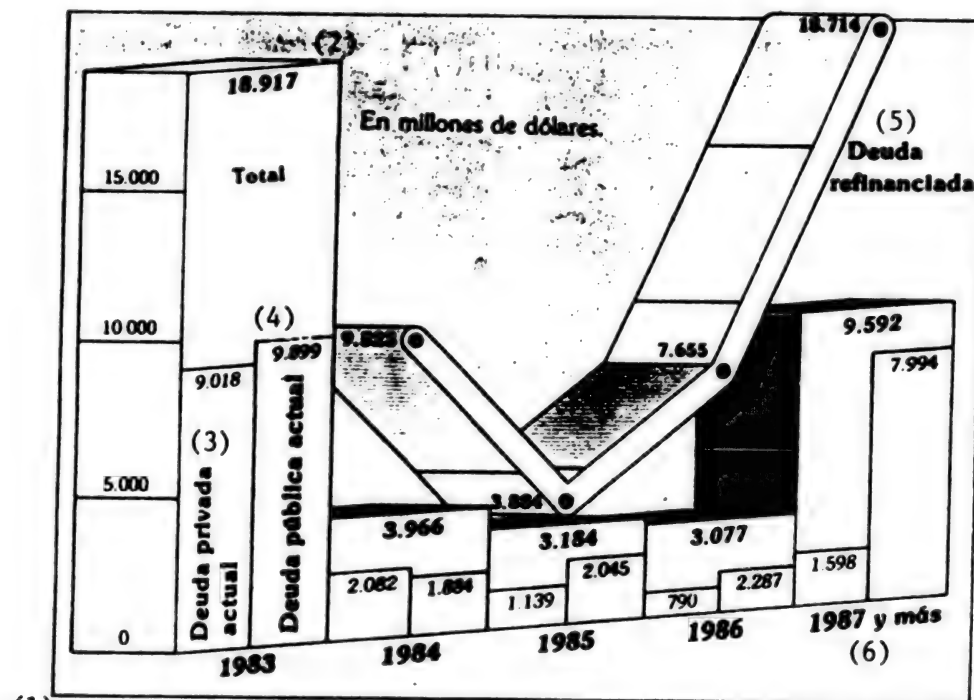
Private debts become public. 1984: \$9.523 billion falls due.

How the Debt Grew (in millions of dollars at the end of each period)

Year	Public	Private	Total	Arrears
1975	4,822	3,053	7,875	-
1976	6,648	3,090	9,738	-
1977	8,127	3,634	11,761	-
1978	8,357	4,139	12,496	-
1979	9,960	9,074	19,034	-
1980	14,459	12,703	27,162	-
1981	20,024	15,647	35,671	-
1982	20,620	13,728	34,348	2,250(1)
(30/6)				
1982	22,005	13,971	35,976	2,760 (2)
(31/12)				
1983	30,805	8,971	39,776	-(3)
(31/12)*				

*Central Bank estimate, source: Central Bank

- (1) When those arrears are combined they make a total debt of \$36.598 billion.
- (2) When those arrears are combined they make a total debt of \$38.736 billion.
- (3) Cancellation of the arrears before the year's end is assumed.



(1) La refinanciación traslada gran parte de los vencimientos más allá de 1987.

Key to Chart:

1. The refinancing transfers a large portion of the bills payable beyond 1987.
2. The profile, in millions of dollars
3. Current private debt
4. Current public debt
5. Refinanced debt
6. 1987 and beyond

2909

CSO: 3348/252

RIO SANTIAGO SHIPYARD LAUNCHES SECOND MEKO-140 CORVETTE

Buenos Aires LA PRENSA in Spanish 4 Mar 83 p 4

[Text] During a ceremony today at 1800 hours at the Rio Santiago Shipyards, a branch of AFNE [State Shipyards and Naval Factories], the "A.R.A. Rosales," a Meko-140 missile-carrying corvette, will be blessed, christened and launched. This is the second in a series of six such corvettes that this shipyard is building for the Argentine Navy.

The ceremony, to be presided over by the commander in chief of the navy, Adm Ruben Oscar Franco, will be attended by the highest level national, provincial and municipal authorities, members of the diplomatic corps, commanders, superior officers and officers of the Armed Forces, the president and Board of Directors of Thyssen Rheinstael Technik GmbH and of the Blohm-Voss Shipyards, respectively, banking, business, industry and shipping officials and press representatives.

The head of AFNE, retired Vice Adm Carlos Torlaschi, will speak after the playing of the national anthem. Then, the chaplain of the Armed Forces, Monsignor Jose Miguel Medina, assisted by the chaplain of the Argentine Navy, Capt Domingo Carmelo Genise, will bless the ship.

In conclusion, the guest of honor at the ceremony, Mrs Maria Beatriz Van Doorn de Hughes, the wife of Air Force Commander in Chief Brig Gen Augusto Jorge Hughes, will activate the mechanism by which the traditional bottle of champagne is broken against the vessel's prow.

This high-technology unit has been built on license from the Blohm-Voss Shipyard in the Federal Republic of Germany. This is the most ambitious military construction program that Rio Santiago Shipyards has so far undertaken.

The following are the main specifications of this vessel, which has a modular construction:

Full load displacement, 1,700 tons; overall length, 91.2 meters; waterline length, 86.4 meters; overall beam, 11 meters; draft at maximum load, 3.13 meters; velocity, 27 knots; propulsion, two diesel engines.

Its armament consists of two dual assemblies of 40/70 Breda machine-guns, an Oto Melara 76/62 gun, an MM 38 Exocet missile system, two triple torpedo tubes, a Dagaie decoy-launcher system and a helicopter.

The Shipyard

The industrial activities of the Rio Santiago Shipyard cover about 40 hectares, with an extensive reserve area for future expansions. Production activities are organized in two industrial sections: shipbuilding and machinery construction.

Its production capacity within the former enables it to process 40,000 tons of steel a year. The latest manufacturing methods are used in the construction work, and the shipyard also has significant development capabilities of its own, covering a wide variety of designs.

Military vessels, merchant ships and semisubmersible, "jack-up" and "jacket" platforms can be built at its slips.

Its machinery construction area builds diesel engines for ships and turbines for electric power plants, railway equipment, hydraulic turbines, components for nuclear power plants, hatch covers and ramps, large cranes for ships and industrial use, as well as manufacturing and machining large pieces for industry, iron smelting, steel and special steels, etc.

8743

CSO: 3348/234

EXPORTS OF OCEAN PRODUCTS INCREASE 18 PERCENT IN 1982

Santiago EL MERCURIO in Spanish 24 Feb 83 p B2

[Text] Chilean exports of ocean products increased 18 percent last year compared with 1981, with sales going from \$344.9 million two years ago to \$408.3 million in 1982, according to a report from the Central Bank's technical department of foreign trade.

According to the same study, 62.5 percent of income from sales abroad of such products last year was from fish flour (\$255 million). The issuing institute states that shipments of such fish flour totaled 768,637 tons, marking a 68.6-percent increase over the previous year (455,812 tons).

For their part, frozen fish exports amounted to 11.3 percent of the total (\$46.9 million). Shipments of the product last year (51,017 tons) experienced a 25-percent increase over 1981.

Frozen seafood amounted to 9.7 percent and fish oil to 7.2 percent of the total.

All these products generated 90.7 percent of the total value of exports in this category in 1982.

Principal Markets

Some 65.4 percent of all income from exports of ocean products came from European markets in 1982, according to the Central Bank report, with the Federal Republic of Germany standing out. Its purchases amounted to \$126.3 million.

In second place and far behind West Germany was Italy, with \$15.4 million, followed by East Germany, with \$10 million, and Holland, with \$7.8 million.

All these markets represented 95.5 percent of Chilean sales of those products in Europe last year.

Some 12.8 percent of all sales in 1982 were to Asian countries. The most important were Japan (\$10 million), Indonesia (\$9.5 million), Taiwan (\$6 million) and Hong Kong (\$2.6 million).

Exports of Ocean Products and By-Products

<u>Products</u>	<u>1981</u>	<u>1982</u>
Frozen fish	50,788	46,260
Fish flour	195,535	255,078
Fish oil	29,157	29,182
Canned fish, seafood and shellfish	24,970	17,838
Frozen products	25,179	39,492
Algae	14,031	14,078
Agar-agar	5,095	6,144
Other products from fishing	132	178
	<hr/> 344,887	<hr/> 408,250

Out of the Middle Eastern countries, only South Yemen made such purchases from Chile, amounting to \$22,000.

Last year, Africa increased purchases of Chilean fish flour, which amounted to \$13.9 million (5 percent of the total). Some 98.4 percent of all exports to that area in 1982 went to South Africa (\$13.7 million).

For its part, the American market represented 7.3 percent of the total value of Chilean exports in the category last year, with \$18.5 million, an increase of 211.1 percent over 1981.

11,464

CSO: 3348/237

BRIEFS

IANSA PLANT REOPENING--La Union--Gen Augusto Pinochet, president of the republic, announced here that he would order the reopening of the IANSA [National Sugar Industry] plant in Rapaco, one of the largest agroindustries in the region. The event will be of enormous economic importance. When the plant was closed, it was processing some 9,000 tons of sugar from sugar beet plantations covering 2,000 hectares. Its reactivation will mean work for thousands of persons, either directly or indirectly. President Pinochet's announcement made at the Plaza de Armas, was greeted by applause from the citizens. [Excerpt] [Santiago TERCERA DE LA HORA in Spanish 17 Feb 83 p 4] 11,464

FRENCH AIRCRAFT SALE DENIED--"Chile has not bought French airplanes or Super Puma helicopters," Gen Fernando Matthei, commander in chief of the FACH [Chilean Air Force], has stated. The member of the Government Junta thus denied information reaching our country from abroad to the effect that a spokesman for a French enterprise had mentioned Chile as the purchaser of such planes. [Text] [Santiago ERCILLA in Spanish 16-22 Feb 83 p 6] 11,464

NEW FLEET COMMANDER--Valparaiso--"The national government in Chile has always been efficient. What is important in our fleet is not the materiel, but rather, the quality, instruction and training of personnel," said RAdm Rolando Garcia Le Blanc, when he was sworn in yesterday as commander in chief of the fleet in a ceremony held on the "O'Higgins." For his part, the new commander in chief of the fleet, Rear Admiral Garcia Le Blanc, emphasized the desire of every officer in the navy to have such a distinction and added that "I know that in order to ensure an efficient command, this responsibility requires more efforts and sacrifices than honors and I also know, having lived for over 37 years serving the navy, that with the help of all of you, we shall perform our task successfully because the equipment and the ships in this fleet would be nothing without you." Following the ceremony, the new commander in chief talked of various topics having to do with the modernization of the fleet, nothing that plans for this year only include the incorporation of the ferry boat "Rancagua" and one of the two modern submarines being built in the Federal Republic of Germany. Regarding materiel acquired by neighboring countries, he said that "every nation is free to make the accords it deems proper. It would be wrong for me to express my opinion about what they are doing." He then added that it is always a matter of concern. [Excerpts] [Santiago EL MERCURIO in Spanish 16 Feb 83 p C7] 11,464

SUPREME COURT RULING ON TAX MEASURES DETAILED

Measures Declared Unconstitutional

Bogota EL TIEMPO in Spanish 24 Feb 83 pp 1-A, 6-A

[Article by Jaime Horta D.]

[Text] All of the measures in President Belisario Betancur's tax reform program began to fall apart last night as the Supreme Court of Justice declared Decree 3743 of 1982 unconstitutional. That decree had reduced income tax and surtax rates.

The court ruled 13 to 11 that the government does not have the power to decree modifications of ordinary taxes.

The deciding vote in favor of unconstitutionality was cast by Justice Pedro Elias Serrano, who is suffering from heart disease in a Bogota clinic. He sent his vote to the full Supreme Court, which deliberated yesterday in the longest session it has had so far this year.

The court's decision sent the country reeling into utter tax chaos, and the government will be overwhelmed by fiscal anarchy, powerless to obtain the additional revenues it had been counting on.

The monetary deficit, that is, the appropriations deficit that the government has forecasted in its studies will reach 100 billion pesos this year, and at this time there is no clear idea about where the funds will come from.

The National Tax Administration was all ready to begin the process of income and capital tax declarations throughout the country next Tuesday under the new provisions, and 4 million forms and an equal number of pamphlets explaining the measures have already been printed. Now they have been rendered useless.

New taxes, such as the tax on imputed earnings from net income in the commerce sector, and major reductions in the income and capital tax rate tables, would also be inapplicable.

The Supreme Court's ruling that the economic emergency is unconstitutional left Congress practically immobile; it had called a special session to debate President Belisario Betancur's report on the measures implemented under these exceptional circumstances.

The parliamentary session had ground to a halt due to disagreements about the make-up of the two ad hoc committees that were to study the president's report in more detail. Last night, however, at a meeting of congressmen, a formula was devised for the election of the aforementioned committees, whose work is now uncertain in view of the court decision.

The ruling of the highest court of justice also sounded the death knell for the capital amnesty program and the modifications of the vehicle, industrial and commercial taxes throughout the country.

Decree 3743, struck down last night by the court, even though it was modified by a later decree that also will fall, laid all the groundwork for the tax reform planned by the Betancur administration.

The full court will convene once again today to draw up the final text of the ruling declaring the tax reform unconstitutional, which will seal the fate of the entire economic emergency program.

The economic emergency was declared on 23 December 1982, and it served as the basis for a total of 38 decrees with more than 500 articles, nearly all dealing with taxes.

Earlier, the full Supreme Court of Justice had declared Decree 3742 of 1982 constitutional, including all its whereas clauses, so the state of economic emergency was declared and all the government's whereas clauses were set forth to justify resorting to the drastic measure of invoking the faculties authorized in Article 122 of the National Constitution.

It will be recalled that early last February National Attorney General Carlos Jimenez Gomez had recommended that the Supreme Court of Justice declare the economic emergency decrees constitutional.

With regard specifically to Decree 3743, which was struck down last night by the court, the attorney general asked that Articles 1 through 6 be declared constitutional, but that Article 7 be deemed unconstitutional. Article 7 says:

"In the event of a balance in favor of the taxpayer in the income tax and surtax for the 1982 tax year, due to excessive withholding at the source or estimated payments, such surpluses shall be applied to the income tax and surtax to be owed by the taxpayer for 1983 and successive tax years."

Congress

Meanwhile, the situation in Congress has become uncertain because there is nothing left to modify or to confirm the economic emergency measures. Now that Decree 3743 of 1982, which set the rates for the income tax and surtax, has been declared unconstitutional in its entirety, Congress has nothing left to do. But the other decrees on which the Supreme Court of Justice has not yet ruled are still valid.

According to Article 122 of the National Constitution, Congress has a total of 30 days, which can be extended for another 30 days upon agreement by both houses, to examine the reasons presented by the government for having declared the state of emergency and taken the steps it did, in order to derogate, make additions to or modify the specific content of those decrees.

In any case, this is the first time in the country's constitutional history that the Supreme Court of Justice has declared unconstitutional an entire decree and the principles that justified the declaration of a state of economic emergency. Never before has a similar ruling been handed down, even for the decisions made under the exceptional circumstances of martial law.

The Vote

The Supreme Court of Justice reached its decision after 4 days of extensive deliberations by the full court, which consists of 24 justices. The declaration of the unconstitutionality of Decree 3743 was suggested in the beginning by three of the four justices on the constitutional court who wrote the decision: Manuel Gaona Cruz, Ricardo Medina Moyano and Carlos Medellin Forero. They were opposed by Justice Carlos Sachica, who favored upholding constitutionality.

The 13 votes for unconstitutionality were cast by Justices Carlos Medellin, Ricardo Medina, Manuel Gaona, Jorge Salcedo, Alfonso Reyes Echandia, Dante Fiorillo, Gustavo Gomez Velasquez, Humberto Murcia Ballen, Alvaro Luna Gomez, Juan Hernandez Saenz, Marino Velasquez Dario, Enrique Aldana Roza and Pedro Elias Serrano.

Justices Luis Carlos Sachica, Jorge Eduardo Geneco, Alberto Ospina Botero, Fernando Uribe Restrepo, Fabio Calderon Botero, German Giraldo Zuluaga, Manuel Daza Alvarez, Ismael Coral Guerrero, Jeronimo Arguez Castelo, Jose Maria Esguerra Samper and Hector Gomez Uribe all voted for upholding the decree's constitutionality.

There were some dramatic moments during the session. On several occasions the court was declared in recess. Groups of justices left the courtroom frequently to reconcile their points of view. At one point the vote was 12 for unconstitutionality and 11 for constitutionality. There was one vote missing: that of the only justice who was absent from the deliberations due

to illness. His vote could have led to a tie, as predicted last night by EL TIEMPO's legal editor. A recess was called, and Justice Pedro Elias Serrano of the penal court, who had the right to intervene because he had received the written decisions, announced his vote against the economic emergency.

The justices who voted for constitutionality were not in complete agreement about the constitutionality of the government's powers to modify taxes. One of the decisions states that the government can pass legislation on special taxes but not ordinary taxes, which would provide a way to salvage the amnesty for capital and interest. But after the voting on Decree 3743, there was nothing left to do.

Emergency Decrees Enumerated

Bogota EL TIEMPO in Spanish 24 Feb 83 p 6-A

[Text] The Council of State voted unanimously to accede to the government's request that it approve the declaration of an economic emergency, after two dramatic sessions during which the justices heard Finance Minister Edgar Gutierrez Castro's frank assessment of the country's economic situation.

The Council of State's decision allowed the government to declare the economy to be in a state of disorder, and to become a temporary, emergency legislative body pursuant to Article 122 of the National Constitution.

The request was submitted by President Belisario Betancur in view of the obvious fiscal crisis in the country, in order to put an end to it and prevent its effects from spreading. The favorable decision was issued on 15 December 1982.

Then Decree 3742 of 23 December 1982 was issued, by virtue of which President Betancur, with the signature of all his ministers, declared the aforementioned state of economic emergency for a term of 50 days following that date.

A total of 38 legislative decrees were expedited within the framework of the economic emergency. They are as follows:

Decree 3742 of 1982 (declaring the State of Economic Emergency)
Decree 3743 of 1982 (modifying the income tax and surtax rates)
Decree 3744 of 1982 (partially modifying a sales tax rate)
Decree 3745 of 1982 (establishing regulations governing property assessments and other provisions)
Decree 3746 of 1982 (revising some of the regulations governing the income tax and surtax)
Decree 3747 of 1982 (declaring capital amnesty and other provisions)
Decree 3803 of 1982 (revising some tax procedure regulations and issuing others concerning tax evasion)
Decree 3815 of 1982 (establishing regulations regarding industry and commerce taxes, as well as notices and bulletins, and other provisions)

Decree 3816 of 1982 (modifying Law 57 of 1981)

Decree 71 of 1983 (modifying the excise tax and the rates corresponding to liquors, wines and sparkling wines, aperitifs and similar drinks, both national and foreign, and establishing regulations on the liquor monopoly)

Decree 72 of 1983 (setting forth measures concerning the Special Exchange Account and creating the Public Investment and Exchange Stabilization Funds)

Decree 231 (revising some regulations related to the income tax and surtax)

Decree 232 of 1983 (redistributing shares in income tax revenues and other provisions)

Decree 233 of 1983 (modifying and partially amplifying Decree 3745 of 1982)

Decree 234 of 1983 (setting some rates and authorizing the Superintendency of Industry and Commerce to collect them)

Decree 235 of 1983 (modifying a tax and other provisions)

Decree 236 of 1983 (amplifying some amnesty measures and other provisions)

Decree 237 of 1983 (eliminating the inheritance tax)

Decree 238 of 1983 (eliminating some taxes)

Decree 382 of 1983 (authorizing the issuance of National Savings Bonds)

Decree 383 of 1983 (introducing modifications in the excise tax on nationally produced and foreign cigarettes)

Decree 384 of 1983 (establishing regulations on the sales tax)

Decree 385 of 1983 (granting exemptions to official entities)

Decree 386 of 1983 (establishing regulations on permanent wagers)

Decree 387 of 1983 (partially modifying Law 2 of 1976 and other provisions)

Decree 388 of 1983 (Establishing regulations on operations in financial corporations)

Decree 389 of 1983 (modifying Legislative Decree 3745 of 1982)

Decree 390 of 1983 (setting forth measures concerning the consumption of motor gasoline and the subsidy on that product)

Decree 391 of 1983 (modifying Legislative Decree 3744 of 1983)

Decree 392 of 1983 (modifying Legislative Decree 3816 of 1983)

Decree 393 of 1983 (modifying Legislative Decree 3816 of 1982)

Decree 394 of 1983 (modifying and adding to Legislative Decree 3815 of 1982)

Decree 395 of 1983 (establishing a procedure for delivering goods to importers in good faith)

Decree 396 of 1983 (modifying Legislative Decree 071 of 1983)

Decree 397 of 1983 (establishing the rates for the income tax and surtax for 1983 and succeeding tax years)

Decree 398 of 1983 (clarifying and modifying some regulations of Legislative Decree 3803 of 1982 and other provisions)

Decree 399 of 1983 (clarifying and modifying some regulations of Legislative Decree 3746 of 1982 and other provisions)

Decree 400 of 1983 (expediting regulations governing the disciplinary system, partially revising the structure of the Ministry of Finance and Public Credit, modifying the juridical nature of the General Customs Offices and National Tax Office, and other provisions)

Tax Chaos Created

Bogota EL TIEMPO in Spanish 24 Feb 83 p 7-A

[Text] Last night Colombia was thrown into total tax chaos when the tax reform measures imposed by the government under the aegis of the economic emergency were declared unconstitutional, after high government officials had worked incessantly for 50 days to devise them.

The economic emergency had been in effect from 23 December until 10 February, and when it ended on 10 February, the tax system had undergone the most important changes ever, in the name of strengthening government finances, redistributing the tax burden, and enabling vast productive sectors to recover.

The application of this far-reaching reform was halted immediately, 6 days before the income tax declaration process was to begin all over the country. That process had required the government to make significant investments in devising new forms and instruction booklets for taxpayers.

The mandatory tax declaration procedure will begin next Tuesday, and everything was ready for it, after voluminous explanations by the government regarding the grounds for the new system, its advantages and the means whereby it will be assimilated.

One of the most important aspects of the system, the capital amnesty program (Decree 3747), which has already been utilized by thousands of citizens with hidden capital in this country and abroad, will have no validity at all if the court decides to throw it out along with Decree 3743.

Those interested in declaring their entire capital holdings, in view of the tax pardon, had begun to make the necessary investments and meet the other requirements.

The new income and capital tax rates that were reduced for low- and middle-income groups and were modified on two occasions to make the instrument more convenient, cannot be applied, and the rates corresponding to the 1981 tax year will still be in effect.

The new property assessment system (Decree 3745), which would benefit municipal treasuries because it would bring in more revenues from property taxes, would not only be completely annulled, but would have a considerable impact on the new system that sets property rental rates according to assessments and self-assessments.

Moreover, the severe fiscal procedures decree, which involved some 500 drastic sanctions against tax evasion, would also remain outside the Constitution.

The equally severe disciplinary statute governing Finance Ministry employees, designed to put an end to corruption in those offices, would no longer affect anyone.

The excise taxes on wines, liquors and cigarettes, which had been criticized in commercial circles and were already being enforced, would also be done away with.

The reformed vehicle tax (on traffic and transit), also designed to bolster depleted local treasuries, was already being collected.

Resources running into the millions, which meant issuing more currency to finance administrative costs, coming from the controversial special exchange account, will have to be used once again because the emergency decree separating them from the budget also fell.

Such an important decision was also under consideration, and the Banco de la Republica had taken over much of the management of that account's sources: the 9 percent ad valorem tax on coffee exports, the tax on remittances and interest for placing the country's reserves on the international financial market.

The value-added tax on coffee was to return to the National Budget as of 1984.

Also invalidated were regulations that made it impossible for business corporations with foreign capital to evade taxation by sending profits and yields to partners abroad.

The redistribution of the sales tax—very important for the departments—having been eliminated from tax legislation, does not interfere with the revived provisions that had been the subject of amendments.

Short-lived Reduction

The well-publicized reduction of the aforementioned tax on the price of automobiles assembled in this country (from 35 to 25 percent), applied to cars of up to 1,400 cubic centimeters, has been eliminated. Thousands of people who bought cars at reduced prices were taking advantage of a short-lived measure.

The tax on sales in that sector will once again rise to 35 percent, and the government, which was trying to reactivate the automotive industry with incentives such as that, must automatically roll back prices to the level of 22 December.

Double Taxation: Step Backwards?

The corporation, which has undergone a serious crisis in recent years and had benefited from the elimination of double taxation, would once again be

faced with the treatment it has received since 1974, when it was determined that businesses and their partners would pay income taxes and surtaxes.

Such emergency decisions had been backed wholeheartedly by part of big industry, confident in the recovery that would result from efforts to promote the capitalization of business enterprises and other incentives that would put the sector in command of the economy once again.

Cabinet Officials Work

The declaration of economic emergency was used by the government in three stages, and while it lasted it kept the Colombian public in suspense and kept the government team awake nights, working ceaselessly on the drafting of 38 decrees, plus other ordinary decrees such as the one governing rentals and the statute for administrative contracting.

The Council of Ministers declared itself in continuous session in early January, and did not adjourn until the last clause was written and the new fiscal system was explained in detail.

Indeed, last Wednesday the Executive Branch delivered a thick volume with a green title page, lettered in black, containing all the decrees. It bore the title "Economic Emergency 1982-1983," and was to be something of a new "tax bible."

Samper Pizano Speaks

The secretary general of the Institute of Liberal Studies, Ernesto Samper Pizano, stated:

"Without a doubt the court's position represents a change in the doctrine it upheld in 1974. We believe that the reform should be supported in its essence, and we had suggested some modifications to its general lines, especially with regard to the rental system and the taxpayer's right to defend himself. The ruling of unconstitutionality necessarily paves the way for a political reassessment, so that the parties can reach an agreement on the reform package as a whole. For that purpose, special sessions would be necessary after the expiration of the 30-day term specified in Article 122 for Congress to be able to study the other points of the reform not affected by the court decision. In any case, as the single chief of the party stated so well in his recent message to the Liberal Congressional Caucus, the Liberal Party adheres to the rule of law, and will obey the court's ruling to the letter."

The representative of Risaralda, Cesar Gaviria Trujillo, said: "It is not easy to understand the court's decision, considering that precedents had already been established supporting the use of Article 122 of the Constitution to modify our taxation system. Let this be a lesson to us, so that we may amend Article 122 to enable governments to be aware of the limitations

imposed on their movement. Thus, they will not be tempted to pass legislation under the auspices of Article 122 in anticipation of a Supreme Court ruling several weeks later."

Text of Article 122

Bogota EL TIEMPO in Spanish 24 Feb 83 p 7-A

[Text] The following is the text of the controversial Article 122 of the Constitution, which was the basis of the declaration of economic emergency that was declared unconstitutional last night by the full Supreme Court.

Article 122. In the event of situations different from those foreseen in Article 121 which might seriously and imminently disturb or threaten to disturb the country's social or economic order, or which also constitute a serious public calamity, the President may, with the signature of all of the Ministers, declare a state of emergency for periods which may not exceed 90 days in total each year.

By means of such a declaration, which must have sufficient grounds, the President, with the signature of all the Ministers, may issue decrees bearing the force of law for the exclusive purpose of eliminating the crisis and preventing its effects from spreading. Such decrees may refer only to matters that have a direct and specific relation to the situation that led to the state of emergency.

In the Decree declaring the state of emergency, the Government shall specify the period during which it will make use of the extraordinary faculties referred to in this Article, and shall convene Congress, if it is not in session, for the 10 days after the expiration of that term. Congress shall examine for up to 30 days, extensible upon agreement of both houses, the report submitted by the Government to explain the causes for the state of emergency and the measures taken. Congress may at any time, on its own initiative, derogate, modify or add to the specific content of the decrees referred to in this Article.

Under the circumstances and for the purposes set forth in this Article, Congress shall meet by its own right if not convened.

The President and the Ministers shall be held responsible if they declare a state of emergency without the occurrence of the events referred to in Paragraph 1; the same shall be true in the case of any abuse that may be committed in the exercise of the faculties referred to in this Article.

During the state of economic emergency, the Government may not violate the social rights of workers consecrated in previous laws.

Paragraph. The Government shall send to the Supreme Court of Justice on the day following their issuance, the legislative decrees it issues using the

faculties referred to in this Article, so that the latter may make a final decision on their constitutionality. If the Government does not deliver them, the Supreme Court of Justice shall obtain knowledge of them immediately, by virtue of its office.

The terms specified in Article 214 shall be reduced to one-third, and failure to comply shall result in the dismissal of the justices responsible, which shall be decreed by the Disciplinary Tribunal (Article 43 of Legislative Act No 1 of 1968).

8926

CSO: 3348/243

ELECTRICITY PRODUCTION FOR 1982 REPORTED

Havana TRABAJADORES in Spanish 7 Jan 82 p 1

[Article by Receca Antunez]

[Text] The workers of the Union of Electrical Transmission Enterprises [UEG] contributed 9,513,650 mWh to the National Electric Energy System during the year just ended; this excellent performance was hailed by the establishment of Electric Workers' Day.

The above figure represents a performance which exceeded the level established for this phase by 5 percent; and it is a demonstration of the efficient economic effort exerted by the entire membership of the thermoelectric, hydroelectric and gas turbine power plants installed throughout Cuba.

However, paradoxically, this outstanding performance must serve as a warning to the entire nation inasmuch as it shows a high rate of energy consumption in both the state and residential sectors, despite the continuous policy of energy saving put into practice in the country.

The 5 percent-over-objective performance of the electricity producing enterprises is having a negative effect on our economy; it implies an additional consumption of hundreds of tons of fuel.

The above difficult situation did not get worse thanks to the positive effort of the union workers who managed to reduce the consumption of fuel and electric power to a considerable extent, two items which are essential to the production of electricity.

In this connection, they saved 38,070 tons of oil during the past year. To this positive action was added the very real possibility that the power plants could keep their units ready to enter into service during peak hours.

The enterprises credited with fulfilling their goals were the Mariel, Havana, Cienfuegos and Camaguey, while the Matanzas and Santiago de Cuba did not reach their objectives.

Santiago de Cuba is being closely watched by the union's administrative leadership and by that of the Chemical, Mining and Energy Union [SQME] inasmuch as that enterprise had the poorest economic showing. A few months ago, the Santiago de Cuba enterprise took steps to replace some of its management personnel and its union was reorganized. It is hoped that this enterprise will have a rapid recovery.

UEG's economic prospects are very good this year inasmuch as it plans to begin operations at the Santiago Electrical Enterprise and also, with the close coordination of the Enterprise for the Maintenance of Electric Power Plants, to carry out a considerable number of reconstructions, reparations and capital and partial maintenance projects which will increase the efficiency of the generating plants.

They will also give more attention to investments, which are already materializing, and to an increase in the manufacture and restoration of spare parts. The latter activity was highly successful last year.

Fuel economy will continue to be stressed in the labor directives issued by the UEG and SQME: day by day the latter is promoting stronger efforts by the Socialist Brigades for Economy as well as the restoration and manufacture of spare parts in its Special Emulation directive, "Seeking Solutions."

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CSO: 3248/550

METALLURGICAL WORKERS PRODUCTION FOR 1982 REPORTED

Havana TRABAJADORES in Spanish 10 Jan 83 p 1

[Article by Telleria Alfaro and Rebeca Antunez]

[Text] In achieving a production of 731,442,526 pesos, the country's metallurgical workers exceeded the goals set for 1982 by 1.5 percent.

In real terms, last year's achievement represents an increase of 11.3 percent over that of 1981.

Of the total produced by the metallurgists, the members of the steelworks industry contributed more than 504 million pesos, which represents an increase in production of about 1 percent over its technical economic plan.

The economic balance in that sector indicates that trade production in 1982 increased by 9 percent compared with 1981. During this phase many historical records were set, such as those of the manufacture of steel cable, drawn wire, galvanized smooth wire, parts and pieces for the sugar industry, buses, hoists and spare parts in general.

We succeed in producing two complete tandems, the first smelting furnace by electric arc, an assembly line for Tainos motors; we begin the manufacture of mochas; we complete the first solar heaters and we introduce new lines of furniture and clinical instruments.

Exports exceeded 60 million pesos, considered the highest volume in this sector since 1978. Among the broad range of products sent to 35 countries in various parts of the world were: corrugated bars, iron rods, semi-trailers, coffee makers, refrigerators and metal forms, as well as other articles.

The technical economic plan for this year calls for an increase to 587 million pesos in the steelworks sector, which is an increase of 17 percent over that of 1982.

The industries covered by the Metallurgical Union at the Ministry of the Sugar Industry produced goods in excess of 63 million pesos, while those of agriculture and companies involved in the repair of equipment and aggregate parts produced more than 49 and 36 million pesos, respectively.

Groups involved in foundry work at the Ministry of Construction, as well as those involved in services and boilers, also declared themselves overproducers, as did those in the service of MINAL [Ministry of the Food Industry] and the workers of MINCIN [Ministry of Domestic Trade].

Only workers in the manufacture of metal containers, subordinate to MINAL, were, despite their efforts, unable to overcome the shortages caused by a shutdown they underwent when torrential rains afflicted City of Havana Province.

Among the most outstanding accomplishments of the metallurgists in the past 12 months are: 602 sugarcane combines, 182 truck tanks, 403 freight cars, 643 city buses, 15,000 refrigerators and 120,000 kerosene stoves.

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RODRIGUEZ INTERVIEWED ON NONALIGNED MOVEMENT

PA252336 Mexico City UNOMASUNO in Spanish 21, 22, 23 Feb 83

[21 Feb 83 pp 1, 12]

["Exclusive interview" with Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, by Luis Suarez in Havana, no date given]

[Text] Havana, 20 Feb--Cuban Vice President Carlos Rafael Rodriguez has told this daily that the anti-imperialist nature of the Nonaligned Movement is not a wicked invention of the Cubans or of Fidel Castro, who has chaired the movement for the last 3 years. The Cuban official added that the movement's anti-imperialist nature was in the heart and thoughts of its founders. In a few days, Cuba will turn over the leadership of this important force to India and its prime minister, Indira Gandhi.

During this exclusive interview, which could be considered a preview of the subjects that will be dealt with more explicitly by Fidel Castro at the seventh summit meeting of the Nonaligned Movement to take place in New Delhi beginning on 7 March, Rodriguez, vice president of the Cuban Councils of State and Ministers and member of the PCC Politburo, defends Cuban nonalignment and refers to other important subjects such as defense, Central America and Mexico.

According to Carlos Rafael Rodriguez, in the slightly more than 3 years that the movement has been led by Castro, it was able to maintain its internal unity while struggling for peace, and "this has been difficult because the movement has not been free of various kinds of contradictions: political, economic and even military." However, the effort for peace has been continuous.

The vice president lists problems that could become very important causes for war.

The movement has dealt with these problems such as the Palestinians' tragedy and the reestablishment of peace in Beirut at a moment when "the Arab countries did not have the necessary unity and other international forces did not act with the decisive strength that had been expected. The movement had to assume

"responsibility for defending the Palestinians in and out of the United Nations with greater efficiency than any other force in the world." The movement has also been involved in the struggle against the causes of war in southern Africa because of South Africa's racist policies and the position of the U.S. group. In Latin America the movement has worked for the people's rights, peace, Nicaragua's right to be respected, and so on.

After the introduction, which I have summarized, I asked:

[Question] In your opinion, what have the obstacles to attaining peace and respect for rights been?

[Answer] I think that the world is facing one of its most difficult moments. The slight trend toward detente that existed until the end of the Carter administration was stopped at the beginning of the Reagan administration. The doctrine of military superiority to achieve peace is beginning to be proclaimed as necessary. And of course, considering the theory of the balance of power, it represents the introduction of a deadly foreign policy position that truly threatens everybody. One can appreciate the policy of the so-called blocs--for which we have another name: antagonistic military pacts--from different angles and positions, but no one can deny that when an effort is made to impose military supremacy in international relations, the road to detente comes to an end. This has been the main obstacle, the most negative force in today's world and we have to face up to this force. In defending the cause of peace, balance to avoid supremacy, and the rights of the people, the movement is engaged in an international policy adjusted to the truly dramatic situation in which we live."

[Question] To what extent have internal difficulties and differences, including the conflicts between members such as the war between Iran and Iraq, affected the unity of the movement?

[Answer] The contradictions exist because the movement is homogenous [as published]. In today's world it is impossible to bring almost 100 countries together, even if they all are developing countries emerging from either colonialism or neocolonialism, without there existing economic, social and geographic differences among them. For example, we all know that Africa was divided in terms of colonialist standards and that there are territories being disputed by all the African countries [as published]. This is the reason for the wise African decision not to alter the existing inherited borders because otherwise there could be a truly dramatic inter-African drama. On one hand, the movement includes socialist countries, and on the other, feudal countries such as Saudi Arabia. But they are all inspired by the same desire to defend the interests of the developing world; they all want peaceful solutions to problems. All are against imperialism, colonialism, neocolonialism and any kind of hegemony; all favor the national sovereign rights of the people because they--those who have just come out of colonialism as well as those who have been the victims of imperialism and neocolonialism--are interested in that. This has made it possible for the movement to emerge as a living and working force despite the internal discrepancies that all of us must admit. The fact that someone like Fidel Castro has been able to lead--

with a spirit of agreement--a movement in which the leaders of Saudi Arabia and other conservative forces participate, is in itself an indication of the true potential of this powerful group of nations that includes the great majority of the people.

[Question] The movement has been accused of being led by radical anti-imperialism. Is the movement loyal to its origin and its founders?

[Answer] I would like to invite you to examine the Belgrade resolutions of 1961 which clearly indicate the movement's origin. The movement emerged as a result of a need of a group of countries that had just gained their independence from colonialism. These countries needed to organize their forces and defend themselves. From the very beginning, the movement declared that it was anticolonialist, anti-imperialist and antineocolonialist. This anti-imperialist position has been a constant from Belgrade to Havana. It has not been a wicked invention of the Cubans.

[Question] Or of antiracism either?

[Answer] Or of antiracism either. Antiracism has always been one of the movement's essential elements. The movement struggles against apartheid and for the rights of Black Africa. The movement's founders were not radicals but they had a record of struggling against colonialism and imperialism: Nehru, Tito, An-Nasir, Nkrumah, and Sukarno. These individuals emerged from the anti-imperialist, anticolonialist and antineocolonialist struggle. It is therefore no surprise that we defend the maintenance of this position, because imperialism is still a working force in the world and it has become aggressive lately. There are still people under neocolonialism and it is necessary to help their liberation causes. There is also anti-imperialist aggressiveness that it is necessary to hold back. Anti-imperialism is a constant of the movement and we hold to those principles. It is loyalty.

[22 Feb 83 p 11]

[Second part of interview with Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, by Luis Suarez in Havana, no date given]

[Text] Havana, 21 Feb--Cuba is a socialist country, loyal to the principles of socialism, and it does not deny its friendship with the Soviet Union; however this does not prevent its loyalty to nonalignment. Proof of this loyalty is the fact that Fidel Castro, having been chairman of this movement, not without certain challenges, today is leaving this post with the support of all the forces that are members of the movement, from the socialist and progressive countries within it to the most backward and feudal ones such as Saudi Arabia. These statements were made in his answers by Cuban Vice President Carlos Rafael Rodriguez.

[Question] Which is the main feature that the extraordinary personality, so distinguished--and at the same time so much attacked by imperialism--of Commander in Chief Fidel Castro has given to the Nonaligned Movement in the slightly more than 3 years of his chairmanship?

[Answer] If I were to emphasize the most important feature of the presence of Fidel Castro at the head of the movement, I would not say that it was his loyalty to the principles, which has existed and will exist. I would not say that it was his clear and defined plan against the threat of war and the recolonization being undertaken in Africa, in Latin America and in other places, which is a unique characteristic. I would say that it is having been able to lead the movement with all of the forces within it, which is what no one thought could be done. Fidel entered the chairmanship of the movement challenged by a group of countries. We are not going to recall those episodes, but we all experienced the sixth summit. Fidel is leaving the chairmanship of the movement supported by all the forces that are members. For example, we do not have any relations with Saudi Arabia. However, we have received the assurances of Saudi Arabia of its satisfaction with the solutions adopted by Fidel regarding the case of the site of the seventh summit and with the series of talks which led to the acceptance of New Delhi in substitution of Baghdad, as a result of the war between Iran and Iraq. There was not one single decision by Fidel—and there has not been any chairman who has had to make more decisions and adopt more positions in the name of the movement than Fidel—which was adopted without being consulted and without the support of the entire movement. Therefore I would say that the most unique feature is that the chairman who appeared to be, as many have done, one who was going to impose his personal convictions at the head of the movement, presents himself as the man who has undertaken a policy of consensus, who had developed a policy of unanimity and of criteria with the support of all the movement's forces, and he leaves the post with the support and respect of even those who challenged him at the beginning.

[Question] Yes, because in fact since the possibility that Cuba and Commander Fidel would occupy the chairmanship arose, the criticisms began, and these criticisms even said that Cuba's socialist character and revolutionary commitments made it an aligned country. In the recent meeting in Managua of the Coordinating Bureau a U.S. document, which tried to weaken the anti-imperialist position of the movement, was made public. How does Cuba respond to this?

[Answer] Cuba is a socialist country. It is not necessary to restate this before anyone because it is very well-known. It is a socialist country loyal to the principles of socialism. However, there are other socialist countries which are also members of the Nonaligned Movement, from Yugoslavia to Vietnam, Laos and Kampuchea, even though the membership of Kampuchea is now being challenged. However, there are many socialist countries within the movement and every day there will be even more, because every day the number of countries which accept the principles of socialism in their state organization will be ever greater. However, socialism is not incompatible with an independent policy. Cuba has demonstrated this throughout its history. The fact that we have a firm friendship with the Soviet Union—this we do not deny to anyone—that we are loyal friends of that great country which has carried out socialism for the first time in the world and which has given its support to so many countries in the struggle for liberation, for national independence and for the construction of socialism, does not prevent loyalty to the principles of nonalignment. We are not members of any military pact; we are

not committed to military pacts with any other country; we are defenders of the principle of the independence of peoples; we respect the principles of independence even though those who gain independence may adopt social regimes very different to ours.

We believe that the movement must include within it all the democratic forces which respect the movement's principles, whatever the political condition of these forces may be. We have the case of Latin America where countries with governments very different from ours have received Cuba's support to remain in or join the movement. We believe that the movement must act on its own and should not be guided by the principles elaborated by this or that great economic center or by the world's military forces, it must respond to its own aims. We have demonstrated in practice in these 3 years how it is possible to be socialist and nonaligned, and to be at the same time loyal to socialism and to be an example of the Nonaligned Movement.

[Question] Your recent visit to India and Yugoslavia, countries whose influence, like that of Cuba, is thought of well within the movement, makes one foresee that a basic understanding for the movement's unity and future action will continue? What are Cuba's spirit and hopes on leaving the chairmanship?

[Answer] Cuba feels very certain about the future of the nonaligned. The last 3 years have been difficult and we give up the chairmanship at a time which is not easy and which continues to be difficult. The problems which threaten world peace still prevail. The internal conflict within the movement continues since Iran and Iraq have not made peace, despite all our efforts. The economic situation of the Third World developing countries is more dramatic today than ever. There has never been so much poverty, hunger, and backwardness in the world as there is today as a result of the capitalist crisis on the developing countries. Despite this we are sure that the movement will continue with its aims, that the New Delhi summit under the chairmanship of Indira Gandhi will be a new opportunity to strengthen the non-aligned in a program which will have two essential elements: peace and development. These will be the bases of discussion in New Delhi, and I am sure that from then on Indira Gandhi with the support of the Indian Government and the support of all the world's forces, will lead the movement with the same spirit that Comrade Fidel Castro knew how to lead it.

[23 Feb 83 p 15]

Third and final part of interview with Carlos Rafael Ridriquez, vice president of the Cuban Councils of State and Ministers, by Luis Suarez in Havana, no date given]

[Text] Havana, 22 Feb—A negotiated solution would be the only viable means of avoiding bloodshed in El Salvador, and Cuba is willing to assume its commitment to peace, provided the United States assumes its own commitments. Apart from this, Cuba does not feel it is revealing a military secret to admit that it is heavily armed to defend itself, which makes the United States think twice about the cost of launching a military adventure. With respect to

Mexico, Cuba is convinced that President Miguel de la Madrid will continue Mexico's policy on Central America and its friendship with Cuba. These remarks were made by Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers, with whom we conclude our interview:

[Question] Have the nonaligned countries exerted any influence, or can they exert any influence, on the conflicts and problems in Central America so as to obtain a just peace in El Salvador and respect for Nicaragua and other countries in the Caribbean, including Cuba?

[Answer] I think that the movement's huge strength can be set into motion--it was actually set into motion at the Managua meeting--to safeguard peace in Central America. As you know, this peace has been compromised by the aggressive policy of President Reagan and his group. That policy has prevented Mexican-French initiatives on El Salvador from crystallizing and is also blocking the crystallization of Mexico's and Venezuela's peace policy, which was endorsed by Panama and Colombia at the conference on Contadora Island. We feel that the moral weight of the movement, which was fully brought to bear at the Managua meeting, constitutes extraordinary assistance to the Latin American governments that are committed to achieving a peaceful solution. The only thought that everything had ended with the fraudulent elections in El Salvador and that the guerrilla movement was historically finished will have to realize, perhaps too late, that the Salvadoran gueerillas are still strong and that their strength is increasing, therefore, there will be no military solution against the Salvadoran people, just as there was none in Nicaragua. There will have to be negotiations if bloodshed and a regionalization of the conflict are to be avoided.

[Question] Where and what type of negotiations, with what sorts of commitments by whom?

[Answer] Negotiations in El Salvador, negotiations between Honduras and Nicaragua and all regional forces in Latin America, negotiations in the Caribbean as a whole. Cuba has said that it is prepared to assume its commitments and responsibilities in regard to peace, provided that the United States does likewise. This is a joint, not an individual, responsibility. We feel that the fact that the nonaligned countries movement has assumed responsibility for the defense of the principles of negotiation and, as part of this effort, has raised its voice on their behalf in the field of international relations is tremendously important. Latin Americans and Europeans are no longer alone because they have been joined by the African and Asian forces.

[Question] And what are Cuba's feelings now? Does Cuba feel that it still faces a real danger of imperialist aggression? In general how is it facing this threat?

[Answer] I will say that although the symptoms are not as strong as last year, the real menace still exists and will continue as long as those acting against Cuba--that is, Reagan and his team--refuse to reverse what they had said so far. As you know, Reagan, Weinberg, first Haig and now Schultz, have not

renounced the use of force against Cuba and, naturally, as long as they fail to do so and do not publicly commit themselves not to use force, we must expect they will use it, particularly in view of their threat to do so. I think that the international community's defense of Cuba is very important. The fact that the Latin American governments, contrary to the past, have now failed to support an aggressive attitude against Cuba is symptomatic of a new situation. And the fact that there are very important forces in the United States itself--in and out of congress, in intellectual circles, in youth circles and in the labor class, which oppose intervention against Cuba--is also very important. Most important of all, however, is the defense we have organized in our own country. We admitted to having doubled our defense capabilities since the beginning of President Reagan's threats.

[Question] Isn't that a military secret?

[Answer] No, it is no military secret. The United States has estimated the amount of the weapons we have received, and we are pleased that they realize we have that many weapons here because it indicates the price they will have to pay should they dare invade our country. We have 500,000 armed men and women in the territorial militias. We have also strengthened our official organized forces and their armed reserves. Therefore, it would be very costly for the United States to engage in an interventionist venture.

[Question] Talking about home now, after the change of government in Mexico, what is the level of the Mexican-Cuban relations? What is the future of those relations?

[Answer] I remember the beautiful opportunity I had to present an award to the former Mexican ambassador in Cuba, Gonzalo Martinez Corbala. Two Mexican presidents were present on that occasion: Lopez Portillo and the new president, Miguel De la Madrid. On that occasion we recalled that the renewal of the historic bonds with --which had been interrupted for some years despite the correct position of Mexico at all times--had been initiated by Echeverria, bolstered by Lopez Portillo and, we hoped, to be continued by De la Madrid. We are sure of that continuity. President De la Madrid has been quite clear; he has publicly stated his government's policy toward Cuba, Nicaragua and the Caribbean nations. We directly contacted the new Foreign Secretary Bernardo Sepulveda, during our visit on the occasion of President De la Madrid's inauguration. At that time we reaffirmed our conviction that just as the peoples of Mexico and Cuba have maintained their fraternal bonds for so many years, we expect that based on the loyalty to the Mexican principle of friendship and cooperation with Latin American nations, our relations will develop in a very friendly way. We have no doubt about that.

[Question] That is, that such relations will not change even if the president of Mexico was changed or the ambassador of Cuba, who was also recently changed....

[Answer] We have a new ambassador (he refers to Rodolfo Echeverria Ruiz), who is very dynamic and who is most representative of the best Mexican progressive intellectuals. We have a president who knew Cuba before he became president.

He had the opportunity to meet Fidel. He had a meeting with Fidel that became historic because Fidel said the most beautiful things about Mexico that any Cuban had ever said since Marti. That bond, that personal contact between presidents, is also very important. We believe that the conditions are such that each, in his own orbit and from his own political perspective, which differ in Mexico and Cuba, will support the decision to increase our cooperation and bolster our friendship.

The telephone rang in Carlos Rafael Rodriguez' office at the Revolution Palace. Pictures of Julio Antonio Mella and Che as well as a letter from Che to the current vice president decorate the walls. It was an urgent "call" from New Delhi, so Carlos Rafael had to leave to discuss these matters with the commander in chief.

CSO: 3248/594

OFFICIAL DISCUSSES ROUNDTABLE ON U.S.

PA142313 Havana International Service in Spanish 0000 GMT 14 Mar 83

[Text] An international roundtable on the United States in the 1980's, which will examine U.S. political and economic aspects, will open Monday at the Conventions Palace in Havana. For this reason, we now introduce Santiago Diaz, director of the Cuban Center for American Studies, the organization that is sponsoring this event:

[Begin Diaz recording] In the first place, I must point out that this is not a political event. Although the topics on the agenda have a profoundly political content, it is specifically an academic event and it is within this framework that it must be held. This, of course, requires first of all that specialists [words indistinct] and, in line with the rules of the game for any scientific event, to show profound respect [words indistinct], however, marked the discrepancies. This is a golden rule for every international scientific event, which is sometimes violated, unfortunately. In this case, however, respect for the right of others to express their views will be fully guaranteed.

The purpose of the roundtable is to generate specific scientific information on U.S. domestic relations, primarily. In other words, the idea is to get to know the United States from the inside--(?its beginnings), its structures, its institutions--and finally to arrive at a projection of the United States in relation to Latin America as a whole. [end recording]

Concerning the participants in this roundtable, Diaz said:

[Begin recording] Here is a list of the foreign specialists and institutions that have been invited to this event and that will participate. We will not discuss the work to be presented by these specialists, but the programs that you will later receive will contain all of this information.

The participants will include Companera (Elena Kiritsenko) from the World Economics and International Relations Institute in Moscow; Companero (B. M. Kudrov), of the USSR's U.S. Institute; Prof (Baruch Roiner), an investments specialist; Prof (Sally Hansen) of the U.S. Labor Research Institute; Prof (Phillip Bayler) of the U.S. Political Studies Institute; Prof (Luis Mayra), director of the U.S. Institute at the (Center) for Economic Research and Teaching in (Lincoln); Prof (Roberto Ossa) from the same institution; Prof

(John Sax Fernandez), director of the (Lazaro Calvinet) Project, associated with the Political and Social Sciences School at the [words indistinct]; Prof (Juan Manuel Garcia Pasaracua), from Puerto Rico's (Arajemendez) Foundation, who will discuss U.S.-Puerto Rican relations; Prof (Jorge Heinz) of the Inter-American University in Puerto Rico, who will discuss Reagan's Caribbean Basin initiative; a researcher from the Sandinist Studies Institute, who will lecture on U.S.-Nicaraguan relations; and Mr (John Fredericks), head of the U.S. Interests Office, who will participate in this event by discussing U.S.-Cuban relations.

In addition to these foreign specialists, we have also invited the following people, who will participate as commentators on the various projects presented: Prof (Jose Miguel Isunza) of the U.S. Institute (?in) Cuba and Mexico; Dr (Daniel Camacho), secretary general of the Latin American Social Science School; Dr (Javier Sorosteaga), director of the Nicaraguan Economic and Social Research Institute and executive director of the Regional Coordinating Board for Economic and Social Research in Central America and the Caribbean; and Prof (Antonio Zavala), a specialist on strategic and continental relations, who works at the UNAN's [National Autonomous University of Nicaragua] Center for Latin American Studies.

These are the foreign specialists who will be participating. [end recording]

CSO: 3248/595

HART PRAISES SPAIN'S POSITION ON EL SALVADOR

PA160410 Madrid EFE in Spanish 0249 GMT 16 Mar 83

[Text] Madrid, 15 Mar (EFE)---Cuban Culture Minister Armando Hart told EFE today that his country "highly values" the Spanish position of promoting a search for "political negotiation formulas" in Central America.

Hart, who is on an official visit to Spain, was received today by Prime Minister Felipe Gonzalez, with whom he exchanged "views on cultural and political topics and on the situation in Latin America in general."

Regarding Spain's willingness to cooperate in bringing peace to Central America, Hart said that the Cuban Government believes "that all the countries in the world should help to resolve the Central American situation, specifically that of El Salvador."

Similarly, he noted his positive assessment of Spain's position of "seeking formulas to resolve the situation according to the interests and the objectives of all the parties in conflict."

After noting that "while intensifying the revolutionary struggle, the Salvadoran revolutionary movement has indicated its willingness to negotiate," Hart said that "the possibilities of U.S. intervention in Central America exist and constitute a threat not only to the area, but also to universal peace."

In addition, the Cuban minister said that "in the wake of the British invasion of the Malvinas, a different political situation has been created in Latin America, one that permits a much more in depth attempt to unite the countries of this continent."

"In addition to our bilateral relationship," he said, "we want to place the relations between Cuba and Spain in the context of deepened relations between Spain and Latin America, because we believe that, by virtue of tradition, culture, psychology and established historical ties, Spain is the European country with the best chance of having close links with Latin America."

Hart emphasized the strength of culture as a link to unite different countries, over and above political and ideological differences.

"The unity that is reflected in culture," he said, "is an expression of the need for unity that should be reflected in politics and in the economy in the future. Great social and political changes have usually been preceded by great changes in the cultural area."

"Jose Marti said it," Hart said in conclusion, "when he said that our America is not just a group of peoples, but also a single great people. Therefore, culture should play a decisive role as the antecedent of future political, social and economic cooperation among all our peoples, which is already visible on the horizon."

CSO: 3248/595

SUGAR INDUSTRY ASKS REPEAL OF GOVERNMENT AGREEMENT

Guatemala PRENSA LIBRE in Spanish 10 Feb 83 pp 2, 75

/Text/ The Guatemalan Sugar Producers Association brought an appeal of reversal against the Ministry of Economy's Ministerial Resolution 45-83, because of the illegalities which it contains, pointing out the harm and drawbacks which the sugar industry will suffer.

The foregoing was stated by lawyer Adolfo Menendez, legal advisor to the juridical commission of the Guatemalan Sugar Producers Association who participated in the drafting of said appeal of reversal and who was accompanied by lawyer Mario Rene Estrada.

He added that "it is outrageous that two sugar mill owners falsely claiming to represent the sugar industry, promoted the ministerial resolution."

He went on to say that "among other things, the Guatemalan Sugar Producers Association brought the appeal to demonstrate to the minister that the sugar industry is not in agreement with such a resolution as one of those promoting the ministerial resolution pretends."

He stated that in a similar fashion the sugar cane sector brought an appeal of reversal with regard to another agreement the day before yesterday, because of the usurpation of functions in which the Ministry of Economy was responsible, in nominating persons who had not been nominated by said sector.

"With both governmental resolutions, the Ministry of Economy has violated in a direct way the gentlemen's agreement made in its office, together with the economic commission, the Association of Sugar Growers and the sugar cane sector.

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CSO: 3248/531

COFFEE PRODUCERS CONFRONTING FINANCIAL DIFFICULTIES

Guatemala PRENSA LIBRE in Spanish 4 Feb 83 pp 2, 75

/Excerpts/ The managers of the National Coffee Association announced yesterday that the revival of the coffee industry is seriously threatened by lack of financing.

They announced to the press that they know of the efforts which the coffee growers have been making to carry out their projects, but that they lack the financial means to continue them.

They indicated that the conditions of the international coffee market have taken a negative turn for the producing countries. That situation as it pertains to Guatemalan coffee growers has meant low prices, fewer sales and surplus of the product.

To these marketing problems, the coffee producers must add the rising production costs as a result of diseases and plagues which make technically advanced cultivation necessary, the necessary use of factors of production, higher wages, and losses such as those produced by last year's bad weather.

The managers of ANACAFE announced that due to such circumstances, the coffee producers have been unable to meet their credit obligations, and as a result they are faced with the need of urgent refinancing.

The grave situation in which the coffee growers find themselves requires an emergency financial policy--they underlined--, above all if it is taken into account that the country's economy depends on coffee and that if financing is not obtained, it is most probable that there will be a negative impact on production.

They indicated also that the support which coffee growing has furnished to financing institutions such as the banking sector--one of the few which owes its successful development thanks precisely to the economic development reached due to the voluminous revenues from coffee--has not been sufficient, especially now when it is necessary to make a readjustment in the country's general circumstances to achieve the reactivation of the national economy.

They indicated that on the other hand, the emergency financial assistance needed by coffee producers, if they are to take advantage of the opportunity, will permit the immediate reactivation of projects underway in coffee growing areas to guarantee production on which the country depends in order to maintain future sales abroad and thus be assured of the financing for its economic and social development under the best conditions.

Finally, the ANACAFE representatives stated that they welcome the attention to be given shortly by the country's high officials to the financial problems of the coffee producers. They informed that next week there will be a high-level meeting to study the overall needs of the sector and it is hoped that the reactivation of the coffee industry will be initiated shortly.

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CSO: 3248/541

BRIEFS

MLN LEADER DENIES RIFT--There is no rift in the National Liberation Movement (MLN) and it remains unified according to what a highly placed MLN official told EL IMPARCIAL today. We are stronger than ever. There is no rift said Rodrigo Valladares, president of the advisory council on being interviewed about rumors that the MLN had splintered into three groups under the leadership of Mario Sandoval, Leonel Sisniega Otero and Hector Aragon. "We are awaiting 23 March with expectation when a political convocation is proclaimed to initiate activity in the capital and interior of the country....," said Valladares who showed surprise at the news of a supposed rift. [Excerpt] [Guatemala EL IMPARCIAL in Spanish 18 Feb 83 pp 1, 9] 9989

NEW MILITARY ZONE--Last Friday the 18th in a ceremony that took place in the departmental capital of Mazatenango, Suchitepequez, military zone number 13 was inaugurated, according to the office of public relations, by the head of army chief of staff Gen Mario Lopez Fuentes representing the army high command. The inauguration was part of the activity that the national army displayed yesterday on the south coast and it included a meeting between the army, the public sector and the private initiative in the buildings of the institute Adolfo V. Hall del Sur, in the capital of Retalhuleu. The goal was to deal with the socio-economic problems of that region. Gen Lopez Fuentes said that the military zone will have charge of the appropriate tasks of security, order and tranquility in order to--he indicated--create an example of peace in the southwest. Subversion and criminal actions were extensively discussed during the meeting, the bulletin concluded. [Text] [Guatemala PRENSA LIBRE in Spanish 20 Feb 83 p 6] 9989

THOUSANDS EMIGRATE TO MEXICO--Because of the high rate of unemployment prevalent in the Peten district, more than 3,000 families from this region have emigrated to Mexico in search of livelihood and a better life with greater security. The above was stated by Maximiliano Chayax and Rosendo Manzanero who added that in reality the situation in this district has become critical due to the lack of employment. They maintained that in the first place the go ahead has not been given to the sawmills at the location where more than 10,000 families subsist; chicle on which 30,000 people depend, is a product that no longer has a market; making this financial crisis the worst in Peten history. Therefore, they said, because of these problematic factors more than 3,000 families have legally emigrated to Mexican territory, in search of work in order to adequately support their families, although some of them defy the danger of the Mexican frontier in order to search for a better life in the United States, they concluded. [Text] [Guatemala PRENSA LIBRE in Spanish 22 Feb 83 p 39] 9989

REPORTAGE ON NICARAGUAN MISKITO INDIAN REFUGEES

Population Figures

San Pedro Sula LA PRENSA in Spanish 29 Jan 83 p 3/

[Text] Tegucigalpa--Refugee Coordinator Col Abraham Garcia Turcios said yesterday that 412 Nicaraguan Miskito Indian refugees entered Honduras last weekend at Gracias a Dios Department.

After commenting on this news, Garcia Turcios said that this is the result of the problems which the Miskito Indians have with the Sandinist regime.

The addition of the new arrivals brings the total of 15,000 refugees who have settled primarily in the Mocoron camp in Gracias a Dios Department.

The refugee coordinator stated that the 412 refugees come from a village called Wisconsin, Zelaya zone, Nicaragua. This worsens the problems involved in settling these population nuclei in the La Mosquitia region.

Abuse in Nicaragua Recounted

San Pedro Sula LA PRENSA in Spanish 3 Feb 83 p 22

[Article by Nelson Fernandez]

[Text] Mocoron, Gracias a Dios--Three hundred Miskito Indians traveled for 7 days, during which time four women gave birth, before arriving here. They were fleeing Sandinist troops who had threatened to kill them.

The Miskito Indians arrived last Friday. Some of them said they are ready to fight to return to their country but in Honduras they are given neither weapons nor training.

Leonardo M'Coy, 41 years old, said they come from the village of Wisconsin, from which they fled under pressure from Sandinist troops.

He said that about the middle of January, Sandinist troops arrived in his village and picked out seven men whom they beat until they bled, and threatened to kill everybody in the community if they did not leave.

For this reason they decided to leave on foot. The trip lasted 7 days, during which four babies were born under precarious conditions. They had to build rafts to cross the Segovia River, particularly for the women and children.

M'Coy said that the Sandinists are committing atrocities against his people, forcing them to flee into the brush. The troops call over the radio for them to come out from their hiding places and promise that no harm will come to them but when they do come out the troops capture them and usually kill them.

We Cannot Return With Borge in Power

Windelen Carmen Macario, 18 years old, said that only if Tomas Borge were removed from power would they be able to return to Nicaragua. She said, "If Tomas Borge goes, I will return. If Tomas Borge continues there, we must remain in Honduras."

Asked if they had been provided with weapons, Macario replied by pointing to her machete, "They have only given me this machete and I use it to work with."

She added that in the case of conflict, they are ready to fight to return to Nicaragua but that in Honduras they are given neither weapons nor training.

Camp's Refugees Mostly Children

San Pedro Sula LA PRENSA in Spanish 7 Feb 83 p 3

[Text] Jacaleapa, El Paraiso--About 300 Nicaraguan refugees who fled from official terrorism imposed in their country by the Sandinist government are living here under environmental and sanitary conditions that are worse than depressing.

The refugees, mostly young children whose growth is retarded due to the proliferation of all sorts of illnesses, say that they prefer a thousand times to suffer in a foreign land rather than to endure the horrors of the persecution and harassment which are typical of the totalitarian government in power in their country.

The Honduran people in this small municipality near the capital help the displaced Nicaraguans as much as possible but the potential for assistance is minimal and is not enough to meet the most elementary needs of these human beings who left everything in their own country in exchange for a little peace for their souls.

The drama of those Nicaraguan families, among whom are Miskito Indians and mestizos, is such that their members are frightened and their looks reflect the pain of being victims of the lack of understanding and of the obstinate attempt to establish in Central America a political system foreign to the nature of those peoples.

Nicaraguans are by nature joyful and talkative, but for some time, the refugees who have arrived from that beautiful country have appeared sad and listless, which indicates a change in their nature. This is most marked in the children who do not laugh or play, as young children usually do. The refugees have been sheltered in decrepit buildings which do not provide any security or comfort. The families are compelled to sleep on the cold floor and must make do with the small amounts of material help provided them by the Red Cross and the community of Jacaleapa.

It is not known whether the UN High Commissioner for Refugees (ACNUR) is providing aid for these people. If he is not, the Honduran Government should appeal to the sense of human solidarity of the Hondurans and collect needed items especially clothes, food and medicine, to make less painful the suffering of those persons, victims of the political intransigence of their government.

9204

CSO: 3248/556

CENTRAL AMERICAN CONFERENCE ON REFUGEES URGED

San Pedro Sula LA PRENSA in Spanish 1 Feb 83 p 7

[Editorial "More on the Refugees"]

[Text] We believe that most Hondurans are not yet fully aware of the significance of having in our country about 30,000 refugees from various Central American countries.

On the one hand, for a country with limited economic potential, it is materially impossible to support such a large number of people. At present, were it not for the UN, acting through the High Commissioner for this activity, the outlook, which in itself is dramatic, could be quite a great deal worse.

On the other hand, along with that effort, we must also recognize the work of certain Christian organizations which have assigned part of their personnel to collaborate in this task, helping our country to bear the heavy load.

Our people are humanitarian and generous but it is not always possible to turn into reality what our hearts tell us to do. For this reason we must consider seriously the significance of having a growing number of persons who are displaced from other countries which are having serious conflicts, placing Honduras in a great dilemma.

Beside the economic efforts which we mentioned, there is also--and under no circumstances can this be disregarded--a very profound political problem. Although it is true that there are many who flee from shameful regimes, as is the case with the Miskito Indians fleeing from Sandinism, and others who are trying to escape from the war, as is the case in El Salvador, along with those peaceful people there are infiltrators coming to Honduras, who, if we make the slightest error, will seek to carry out the mission assigned to them by their country of origin.

It is not out of the question, although at this time it may seem so, that these people may remain indefinitely here in Honduras and after a time refuse to recognize the existing sovereignty over the territory they occupy. We must only look at what has happened in other places in order to realize that anything can happen. Putting aside our human concern, this has other implications which, in the long run, could cause us great difficulties.

This does not mean that we want those refugees to pack up their belongings and leave at once for the land of their origin. No. We merely believe that it is necessary for us to take the initiative, suggested on these same pages a few days ago by the illustrious Honduran internationalist Dr Humberto Lopez Villamil, of proposing the calling of a Central American refugee conference.

In spite of this, the Central American governments involved in this matter have said nothing. To the contrary, they have taken the easy way out by not expressing their opinion on it. They forget that their responsibility is not over when their nationals cross the border and settle in Honduras. They do not care to remember that they always have obligations, which at present they do not seem to understand.

Along with their great generosity, the Honduran people also know that attempts have been made at various times in the past to abuse their kindness. Thus, to bring up the matter again would be in order, even if it is just to make them realize that although we will continue to be kind, we will not continue to be dupes.

9204

CSO: 3248/556

OFFICIAL DEFENDS CUT OF SUBSIDIES TO PEASANT ORGANIZATIONS

San Pedro Sula LA PRENSA in Spanish 5 Feb 83 p 5

[Article by Angel Maria Velazquez]

[Text] Augusto Suarez, deputy director of INA [National Agrarian Institute] spoke yesterday in this city urging the nation's peasant organizations to begin purging and depoliticizing their staffs.

He also announced that some peasant organizations are upset with INA because it cancelled their subsidies which consisted of payment to a specific number of activists, each of whom received a sum of 200 lempiras.

Suarez said that the situation has resulted in attempts by certain unscrupulous and irresponsible leaders to blackmail INA by promoting and initiating forced entries and issuing declarations calling for the Honduran Government to renew the subsidies.

He stated, "I believe that it is important, even from the point of view of the very independence of the peasant organizations, that they not continue to receive money; first because, as everyone knows, we are going through a severe economic crisis and also because the peasant groups should get used to being on their own without a crutch or guide."

Deputy director Suarez alluded to the fact that certain groups of peasant workers, acting perhaps on the advice of irresponsible leaders, had begun to forcibly enter agricultural production areas, such as in the case of La Masica in Altantida where a ranch of Sergio Villa is threatened with invasion.

Suarez clarified that the property in question is fulfilling its social obligations, and not an ounce of soil will be given up. He stated that those who wish to prove their allegations could go before a commission of the institute. "We could even invite the press, so that they could verify that we are telling the truth," he advised. Suarez revealed that certain groups of peasants were favored with large land grants and that he could prove that they are leasing them out to various cattle raisers.

In Suarez's view, activities involving politization and fraud on the part of certain organization leaders may force the institute to take steps in the next few days to continue giving 200 lempiras to each activist. Nor can the possibility be ruled out of the peasant groups attacking the national and regional officials of the institute because of so-called lack of attention which actually has as its basis the fact that their subsidies have already been eliminated.

INA took the action of cutting the funds it had been giving to the organizations because it believed that it was not beneficial and ultimately because some directors have stolen the money designated for the activists themselves.

9787

CSO: 3248/555

BRIEFS

COFFEE TO ARAB NATIONS--San Pedro Sula--On the fringe of traditional markets in the international sphere, Honduras succeeded in selling a million dollar coffee shipment to the Arab nations, and to that effect, a ship originating in Kuwait arrived at the docks of Puerto Cortes Wednesday where about 20,000 sacks of high quality coffee beans were loaded aboard. This export shipment, which will help to strengthen the nation's foreign exchange, came about as a result of steps taken by the Jordanian Consulate and FEARAB [Arab Honduran Federation] which maintains contacts with countries in the Middle East. The above source reported that the Arab nations are extremely interested in buying a variety of goods from our country, including sugar, coffee and wood products. [Excerpt] [San Pedro Sula LA PRENSA in Spanish 28 Jan 83 p 5] 9787

CSO: 3248/555

PROGRAM TO GENERATE UP TO 700,000 JOBS

Mexico City EXCELSIOR in Spanish 19 Jan 83 pp 1-A, 13-A

/Article by Isabel Zamorano/

/Excerpt/ The federal government yesterday put into operation in rural areas, in critical urban areas, in the industrial sector and in the institutions which participate in the obligatory social service system, an emergency program to create in the next 12 months between 500,000 and 700,000 jobs, for which it will invest 400 billion pesos.

The program which will create temporary jobs meets the second point of the Economic Restructuring Plan proposed by the president in his inaugural address, will protect those least favored groups and in the framework of austerity reorient costs toward meeting social priorities and to contribute to the solution of the crisis.

The secretary of programming and budget, Carlos Salinas de Gortari, made the announcement after reaching an agreement with President Miguel de la Madrid, in Los Pinos, in which coordinators of employment programs headed by Manuel Aguilera, also participated.

The object of this program is to find jobs for young people born after 1960 and at the same time avoid increasing the unemployment rate of 8 percent inherited by the present administration.

Carlos Salinas de Gortari specified that the job protection programs initiated by the federal government will be put into practice with the participation of the state and local governments. In addition the active participation of the community will be encouraged in their execution, follow-up and vigilance, so that the tasks resolve basic problems opportunely and efficiently under the strictest code of honesty.

Salinas de Gortari said also that the program will be a source of aid to peasant groups most affected by the drought, lower-income inhabitants of urban areas and industrial workers, as well as university graduates--which in 1983 will reach to 40,000--and will also benefit the community. Even though the jobs will initially be temporary, they will establish the bases for converting them into permanent ones.

The secretary of programming and budget indicated that the programs will be called: Job Creation in the Rural Area, Jobs in Critical Urban Areas, Protection of the Productive Plant, and Obligatory Social Service.

In addition to Manuel Aguilera, Bernardo Aguirre, Teofilo Borunda, Luis M. Farias, Rafael Hernandez Ochoa, Jose Hernandez Ochoa, Jose Hernandez Teran, Armando Labra, Jorge Rojo Lugo, Pindaro Uriostegui and Julio Zamora Batiz will coordinate the programs throughout the country. The characteristics of each program will be announced today by those responsible in the agencies charged with carrying them out: Communications and Transport, Secretariat of Agrarian Reform, Agriculture and Water Resources, Pider, Coplamar and state investment programs.

Salinas de Gortari specified that if the resources destined for the development of the program were diverted, the balances will be cancelled for the rest of the year, and any violation or impropriety in the handling of the funds destined for the job creation program on the part of the authorities or representatives of the community will be accompanied by appropriate sanctions.

Specifications

In accordance with what was stated by Salinas de Gortari, the president of the republic ordered that the number of productive jobs generated by the peso value of public investment should be increased, in addition to which, reserves approved by congress, additional resources for the creation of new jobs with emergency programs should be earmarked.

The report furnished by the secretary of programming and budget specifies that the program of Job Creation in Rural Areas--areas now undergoing a grave crisis due to the drought--will undertake the construction and conservation of the national highway network, as well as rural and feeder roads, projects in the railroad network, maritime projects, large and small irrigation projects, projects of rehabilitation of districts damaged by storms, dam projects and control of rivers, clearing and reforestation projects and programs of cooperative organization.

The execution of these projects will be in charge of the sector's coordinated by the Secretariats of Communication and Transport, Agriculture and Water Resources and Agrarian Reform.

The area of communications will create employment for 350,000 workers and includes work on roads and highways. Of these 60 percent will be utilized in the federal network, 40 percent in the construction of rural roads and the rest on conservation.

This program will also support the productive activities of the peasant to resettle him in his place of origin, in addition to which a supply program will be created in rural areas to increase the availability of basic foodstuffs in the communities.

For Critical Urban Areas

With regard to the urban areas considered critical, the program which will address their necessities includes housing, drinkable water and sewage projects.

The resources assigned to it come to 154 billion pesos and will utilize 300,000 people of which 50 percent will be new jobs.

Urban areas which will serve as a field of action for this program are in the states of Coahuila, Chiapas, Chihuahua, Federal District, State of Mexico, Nuevo Leon, Puebla, Queretaro, Quintana, Roo, Tabasco, Tamaulipas and Yucatan.

Other projects which will be undertaken are those of reforestation, activities in the ecological sphere, boosting urban services and small scale production projects. On hiring in this field, preference will be given to heads of families, whether men or women.

The funds destined for this program will be applied within a section of the sole Convention on Coordination and will reach 200 billion pesos to create 350,000 jobs.

The Protection of the Productive Plant Program is meant to keep existing jobs and to generate new jobs in non-manufacturing and industrial enterprises most affected by the economic situation.

9678

CSO: 3248/521

TABASCO BISHOP SEES LACK OF GENUINE DIALOGUE

Mexico City EXCELSIOR in Spanish 4 Feb 83 p 14-A

[Text] Monsignor Rafael Garcia Gonzalez, bishop of Tabasco, states in a pastoral letter to the faithful of his diocese, made public by the Bishops' Social Communications Committee, that: "We lack a genuine national dialogue which would communicate to all of us welfare and progress, justice and peace, as demanded by the people, who are thirsting for a better life."

The bishop of Tabasco recalls that Pope John Paul II, in his recent New Year's day of peace message, warns that a dialogue for peace must be established, particularly at the national level, "to resolve social conflicts and seek the common good."

Certainly, says Bishop Garcia Gonzalez, "there is no dialogue when decisions are imposed and events are manipulated without real, prior consultation. There is no dialogue when it is undertaken with people in an inferior position or with people who only represent limited interests or with people or groups who are forgetful of the common good. There is no dialogue in shouts of support, when they are orchestrated in advance by means of various arrangements, deceit, or threats. Nor is there a dialogue when all of us are not properly represented."

Monsignor Garcia Gonzalez adds that: "the church itself on many occasions has been prevented from participating in a dialogue, while at the same time the views of persons or groups are sought and accepted whose opinions are limited, radical, or partisan. In the course of dialogue those who are in continuous contact with the people, who know their problems and who represent their interests are forgotten. The mostly Catholic people of Mexico want to share their experience and their beliefs in a constructive dialogue leading to a better Mexico, whatever the past might have been. The church, the bishops, and the priests are not seeking power but rather service. Bad faith may twist their views and attitudes and, by the same token, prevent a dialogue from taking place because personal or group interests are made to prevail against the demands of the majority."

The bishop says that this lack of communications is due to attitudes rooted in the past and to the view that others were responsible for such a lack. He added that we are responsible for the Mexico of today and, without forgetting what our history has been, we must live in the present, communicating with each other now and searching for the conditions which will create a favorable atmosphere for an improved national dialogue in the future.

COMPLAINT OF LAND SEIZURES: GUERRILLAS MENTIONED

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 28 Jan 83 p 7

[Excerpt] Simojovel, Chiapas--Land tenancy problems, which have been a matter of public concern since the time of Juan Esponda and which have caused an unknown number of deaths due to the apathy and indifference of the competent authorities, have led to a total breakdown of production in this once rich area of the state of Chiapas.

A great deal has been written about the agrarian problem in the region. Many individual estates which were once taken over by invaders acting on behalf of political parties and advised by corrupt leaders now lie abandoned. Once they were pillaged and looted, even the true owners don't dare to live there out of fear of losing their lives in an attempt to recuperate their property.

However, in spite of all this and the fact that coffee production has almost disappeared, government authorities decline to look for a solution to the conflicts instigated by a whole group of people who try to create chaos and confusion in the countryside of Chiapas state.

Today our town is once again living in fear that farms of no more than 100 hectares will be the target for invaders who, according to them, are reclaiming what was theirs in the past. For example, a few days ago Chacacal estate, the property of Gregorio Hernandez, was looted and destroyed by a band commanded by Enrique Lopez Ruiz, the leader of the PSUM [Mexican United Socialist Party]. In the same way many other estates are now in the possession of farmers who have been deceived by subversive priests, by Central American guerrilla leaders who have taken over our land for use as training camps, and by corrupt leaders who fly false flags and try to agitate the countryside of Chiapas, as they are succeeding in doing.

In view of all this the people of Simojovel ask themselves, what, aren't we also people of Chiapas? Don't we at least deserve the attention of our authorities? What did we do wrong that we are condemned to remain here isolated and far away from the authority of our governments?

Perhaps the competent authorities have an answer.

5170

CSO: 3248/567

BRIEFS

NEW MEXICAN AMBASSADOR TO YUGOSLAVIA--Francisco Lopez Camara has been appointed by President Miguel de la Madrid as Mexican ambassador to Yugoslavia, replacing Javier Wimer, now undersecretary of government, according to the Secretariat of Foreign Relations. With a law degree from the National University of Mexico [UNAM] and having been a teacher of philosophy, Ambassador Lopez Camara obtained a doctoral degree in economic and social history at the University of Paris and did post graduate study at the University of London. He has been director general of the Seminar on Economic Research at the National School of Economy, chief of the division of Higher Studies at the Faculty of Political and Social Sciences, and member of the governing board of the National University of Mexico. [Text] [Mexico City EXCELSIOR in Spanish 9 Feb 83 p 30-A] 5170

CSO: 3248/567

SOCIALIST PARTY ISSUES POLITICAL RESOLUTION

Managua BARRICADA in Spanish 31 Jan 83 p 5

/Text/ A seven-point political resolution was issued yesterday by the extended plenum of the Central Committee of the Nicaraguan Socialist Party /PSN/, in which the party reiterated its support for and solidarity with the National Reconstruction Government and the political management of the Sandinist National Liberation Front /FSLN/, condemned imperialist military strategies, demanded loosening of controls on the media, and declared its support for the strengthening of the Revolutionary Patriotic Front /FPR/.

The document was revealed and commented on by Luis Sanchez, secretary general of the Nicaraguan Socialist Party. He called for the strengthening of military, economic, and political as well as ideological actions to defend the revolution. He stressed his position on the Political Parties Law, saying that it should be broadly democratic and pluralist, but at the same time an instrument to safeguard the revolutionary victories and to assure the continuity of the revolutionary process.

The PSN gave a general analysis of the national and international political picture, and nowhere in the statement did it mention the rightist parties, which Luis Sanchez said they did not allude to because attitudes that diverged from current politics were simply repudiated in the plenum.

With regard to the loosening of controls over the media, the PSN political resolution holds that all parties should have conditions favorable to dissemination of their ideas, with no more limitations than the law establishes.

The position of the imperialists, and that of their rash allies in the region, forces efforts to be concentrated on military defense and the intensification and extension of the foreign policy of peace and defense of the principles of self-determination and independence, the PSN plenum's document stated yesterday.

The PSN stated that the communique from the Fifth Extraordinary Ministerial Meeting of the Bureau of Coordination of the NOAL /Nonaligned Nations/ as well as the peace initiatives presented by France, Mexico and Venezuela, constitute the best and most rational way to relieve tensions and prevent a regional military conflagration of unimaginable consequences.

"To ignore those recommendations and to turn our backs on them is the same as choosing war and the most shameless aggression, and acting outside the most basic rules of international law," the document states.

The party, which is a member of the FPT, called on all its affiliates to boost levels of production and productivity, and to take an active part in the various tasks that make up the process as a whole, such as the coffee and cotton harvests, the development of technological innovations, and so forth.

Political Institutionalization

The subject of elections was also mentioned in the document, because political institutionalization by truly democratic means includes the expression of the people's will through voting, it adds.

"Whoever achieves that, sooner or later," the PSN says, "depends on historical circumstances, but it must happen and is unavoidable."

Regarding the Law of Political Parties, they maintain that it must be the legal instrument to encourage development of popular revolutionary democracy, in order to assure continuity of the revolution and the exercise of political power by the workers.

The PSN speaks of reopening the policy of alliances within the revolution. It must be broader, more flexible, and more consistent based upon the interests and aspirations of the allies, who ought to be protagonists and not "just support forces or cabooses on the revolutionary train."

The FPR parties should not ever become bogged down, the document adds, and must take steps to turn the FPR into a real consultant coalition on matters of national interest, and into an instrument for pluralist revolutionary participation in the political decisions of the government and the nation.

8587

CSO: 3248/528

FPR, FRENCH GROUP DISCUSS POLITICAL SITUATION

Managua EL NUEVO DIARIO in Spanish 5 Feb 83 p 5

/Text/ Members of the French parliament meeting in our country with representatives of the Revolutionary Patriotic Front /FPR/ held an in-depth dialogue during which all the concerns about the political, economic, and social management of the Sandinista Popular Revolution were discussed in plain language.

One of the strongest statements by the French parliamentarians was that they had heard, in conversation with others, that there was a false pluralism in Nicaragua, that we were an aligned nation and that human rights were not respected.

Adding that they asked these questions with the earnest intention of learning the truth, because in Europe, too, the media spreads such reports, but once they know the truth about our country, they will campaign against such misinformation in their country.

One by one, the questions were answered by members of the Revolutionary Patriotic Front, who explained that political pluralism in our country is achieved through participation by those parties that have the convictions and principles to fight for the rights of the working class and peasants, who were exploited for so long.

In the discussion of the Law on Political Parties, they answered that it was intended to institutionalize that right, which was contrary to what had taken place during the dictatorship, when only the Somoza government's party and the Conservative Party were legal, and the other parties were suppressed by military force.

With regard to human rights, they explained to the French group that Nicaragua is the only country in which a revolution has abolished the death penalty. Aside from that fact, if they visit the prisons in the Jorge Navarro Penal Rehabilitation Center in Tipitapa they can see that the prisoners live under better conditions than their guards.

They then asked about the lack of freedom of expression, adding as an example the censorship of the newspaper LA PRENSA. FPR representatives immediately

replied that control of the news was a special situation, because of the present conditions in the country, and was only temporary, and it was ordered with the intent of protecting military economic news which might somehow provide a point of support for the counterrevolutionaries in our country and abroad.

On the subject of class hatred, which according to reports given to the parliamentarians is part of a policy guided by the Sandinist government, the FPR representatives replied that they did not know about any such guidance. They said if such a confrontation between classes exists, it is solely the fruit of those who today feel free and harbor a deep resentment against those who exploited them and humbled them under the protection of the dictatorial government that was overthrown.

With regard to the lack of freedom for trade unions, it was explained that this country has several union organizations that are struggling to win the rights denied to them in the past and that the government supports them with laws on the matter. However, it is endeavoring to gradually allow the workers their rights.

What is happening, they said, is that some union members are also politicians and their demands often run out of the realm of union business and into the political area, breaking the laws.

Participating in the dialogue between members of the Revolutionary Patriotic Front and delegates of the French parliament were French deputies Jean Natiez, who heads it; Francois Mortelette; George Labazee; Lois Bouyard; Jackeline Frysse-Cazalis; and Adien Zeller. Speaking for the FPR were Cesar Delgadillo, for the PPSC /Popular Socialist Christian Party/; Gustavo Tablada and Luis Sanchez for PSN; and Lt Commander Rafaela Solis, of the Sandinist National Liberation Front.

8587

CSO: 3248/528

LAGOVEN UNDER INVESTIGATION FOR ALLEGED IRREGULARITIES

Caracas ZETA in Spanish 13 Feb 83 p 12

[Text] LAGOVEN is putting economic pressure on ZETA because this journal has been reporting on irregularities in contracts amounting to billions of bolivars.

The contracts awarded to Dresser Clark to build gas reinjection plants east of Lake Maracaibo will be the target of an investigation by the National Congress. The evidence collected by parliament indicates that one of the operators, LAGOVEN, was primarily responsible for awarding the latest contract to Dresser, in the amount of nearly 1 billion bolivars. Similar findings were made in another contract for similar work in the West Oruaneta area.

Information on the apparent irregularities in the awarding of these contracts has been appearing in ZETA in a discreet but steady way, and this information led to an investigation by the office of the comptroller general of the operators, especially of LAGOVEN, which handled this contract. The findings of the comptroller general's office confirmed the existence of irregularities. These findings were kept in the strictest secrecy by the operators, but inevitably word leaked out to the technical and political sources with ties to the oil industry.

LAGOVEN has maintained strict silence about this case, and has ordered Publicidad Axs, the public relations firm that handles its account, to delete the journals ZETA and AUTENTICO from the list of those receiving its press releases. These two journals had been used by LAGOVEN ever since they were founded, in each of LAGOVEN's publicity campaigns, and to the same extent as other similar publications were used. The management of ZETA reported this situation to the editorial staff of the journal with the comment that LAGOVEN's economic pressure should not in any way

alter the paper's editorial or news content. In the past, ZETA had to operate for over 2 years under a government ruling that excluded it from official publicity, but that situation weakened neither its economic nor editorial positions.

Nonetheless, LAGOVEN has been successful in holding the lid on the scandal in the communications media, with the sole exception of ZETA. Similar lobbying efforts are being undertaken by the operator on a parliamentary level, where a number of experts are preparing an investigation. One of them told ZETA that in the contracts awarded by LAGOVEN "the evaluation criteria were changed a number of times with the sole intention of favoring Dresser." These changes were made in this bid and also in prior bids. In the West Urdaneta case, they held firm on the delivery schedules, because Dresser's schedule was then better than the schedules offered by their competitors. Now Dresser's schedule is not better, and this factor is no longer considered of any importance. This attitude appears a number of times in the evaluations favoring Dresser.

ZETA turned its attention to the way in which the Venezuelan petroleum companies grant their contracts after the contract for the gas reinjection plants was awarded to a U.S. firm, Dresser, which was being accused in the United States and Mexico of corrupting officials of the nationalized Mexican petroleum industry. Now the case will have to be covered by the rest of the communications media, because of the parliamentary investigation which will study the entire system according to which the nationalized petroleum industry grants its huge contracts.

7679

CSO: 3348/239

FOREIGN DEBT REPORTEDLY THREATENS ECONOMIC INDEPENDENCE

Caracas ZETA in Spanish 13 Feb 83 pp 10-11

[Text] Our present minister of finance represents Venezuela's creditors, who hope to impose on Venezuela conditions of eternal dependence, similar to those which Russia has imposed on its satellites.

Venezuela is slowly drifting toward the point at which the International Monetary Fund will be able to take charge of its economy, and the industrialized nations will be able to determine the price for its oil. This extremely serious situation is being created at a time when public opinion is distracted by relatively minor problems, such as the signs of corruption which have appeared in the Workers Bank and in the Children's Foundation.

Presidential Politicking

Venezuela's foreign debt--of whose political dangers a number of people and institutions have warned--is doubling every 4 years and is now over \$25 billion. Venezuela simply can not pay this debt, and its income-outgo relationship is becoming worse all the time. A number of factors are involved in this situation, including the following: the decline in the price of oil, which in the next few months should drop well below \$30; the increase in the government bureaucracy, which is now moving toward the level of a million government jobs; the decline in production in some essential categories, such as agricultural production, which will force us to rely on increased exports, with the resultant loss of capital; and the demoralization of investors and savers, who are taking their money out of the country at a rate that will force the government to institute exchange controls to avert a devaluation.

President Herrera has been handling this situation according to his political needs, to which he has been giving priority. As an example, he authorized the man who was first minister of finance and then president of the Central Bank, Leopoldo Diaz Bruzual, to make use of weapons which they had intended to hold in reserve for the final phase of the election campaign, but which the low standing of the Social Christian Party's candidate in the polls forced them to use 9 months in advance. The same sort of thing happened with the liquidity problems of the Workers Bank, an institution in which AD [Democratic Action] union members hold the majority of the stock. This case was thrown wide open to public opinion, with the inevitable political impact. Apparently the chief of state did not realize that there would also be an unfavorable impact in terms of Venezuela's foreign prestige, at precisely the time when the country needs all its prestige, as it is renegotiating its short-term foreign debt. This can only be done if the country enjoys widespread confidence in its creditworthiness. If it does not, either the debt will not be refinanced, or it will be granted at higher interest rates, since the risk appears greater with a country whose banks are failing, or, what is even worse, the refinancing might be made subject to conditions restricting our economic sovereignty.

The International Monetary Fund Trap

The International Monetary Fund is a financial institution which aids countries whose finances are on the verge of collapse, as appears to be the case with Venezuela. It is controlled by the industrialized powers, and naturally their charity has some strings attached.

The countries aided by the International Monetary Fund are subjected to a wide-ranging intervention in their economies. This is the method used by the strong countries now when it is not possible to take over by force the customs of a weak debtor country and collect customs duties paid until that country's debt to the occupier is paid off, as was done until World War I. In our days, the occupation is more radical. Not the customs facilities, but the entire economy is occupied, acting through the International Monetary Fund.

Venezuela has been bravely resisting the pressures to join the IMF, which would mean modeling its economy as the western industrialized countries want. This model is just like the one imposed by Russia on its satellites in the socialist world. They

are forced to design their economy so that they will always be dependent on the Russian economy. In the western case, the countries in control are the United States, England, France, Germany, and Japan.

Venezuela has lost its secure position because of the increase in its foreign debt, especially in its short-term debt. The government budgets were prepared based on the assumption that oil revenues would forever remain high, and now they have left Venezuela in the hands of its creditors. These creditors are the major western banks, which work hand in hand with the U.S. State Department and the British Foreign Office. The creditors are especially interested in drawing Venezuela into the nets of the International Monetary Fund, and the opportunity to impose their conditions is now arising, when Venezuela will have to go, in an unfavorable position, to seek new loans to pay off the old ones (otherwise known as refinancing).

Luis Herrera Gives In

Luis Herrera's administration has already begun to cave in to the IMF. The present minister of finance, Arturo Sosa, is an employee of the Vollmer Group, a multinational organization which in Venezuela represents--occasionally by means of a Venezuelan citizen--the major banks in the eastern United States. This means that Venezuela's creditors have already appointed our minister of finance. President Herrera made this appointment at the suggestion of Jose Antonio Perez Diaz, but it is not certain whether he [Perez Diaz] was aware of what putting Venezuela's finances into the hands of its creditors would mean for our republic.

Simultaneous protests about this situation have been heard both in Boston and in Caracas. Here the publisher Miguel Angel Capriles proposed that Venezuela take the lead in an association of debtor countries who, by acting together, could elude the conditions of eternal dependence which the industrialized countries want to impose through the IMF. In Boston, a private institute headed by the Democratic politician Lyndon Larouche has proposed that the debtor countries--such as Brazil, Argentina, and Mexico--make use of the "debt bomb." This means that they would act together to bring pressure on their creditors, by means of the simple fact that if they did not pay, the western financial system could be destroyed. Right now Mexico's situation has the Morgan Trust and the Bank of America on the brink of bankruptcy.

But Larouche's analysis in his EXECUTIVE INTELLIGENCE REVIEW contains something even more serious for Venezuela. The immediate objective of the industrialized countries is to break up OPEC, which has kept oil prices up to relatively fair levels.

In such conditions, the most thoughtful sectors in Venezuela are keeping close watch on the actions of the minister of finance, Arturo Sosa, during his trip when he is to try to negotiate re-financing in the amount of 9 billion bolivars for the foreign debt that is due this year.

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PROSPECTS FOR 1983 ECONOMIC RECOVERY VIEWED

Caracas RESUMEN in Spanish 6 Feb 83 p 33

[Article by Ramon Dib Hernandez]

[Text] Many people are saying that 1983 will not be the year for Venezuela's economic recovery. It is an election year, and there is a great deal of uncertainty felt by investors, who are already suffering from a lack of confidence. This attitude is senseless, as we see when we consider that here interest rates are several points higher than in other similar countries. They are continuing to purchase dollars, depositing them in foreign banks or investing them abroad in some other manner. The Central Bank and the government, with their restrictive monetary policy, whose object is to reduce inflation, have impeded the development of the nation's private economy. This brake on the private sector may have a number of effects, including a reduction in the capacity to create new jobs, and difficulties in maintaining existing jobs.

This lack of liquidity is caused by a variety of reasons: the restrictive monetary policy, the currency drain, and the administration of the rediscount rates and advance payments by the Central Bank. These have all created a severe reduction in the nation's money supply, and this has been reflected in banking, producing as a direct consequence a shrinking of credit, and therefore, a decline in investments.

We have also seen that interest rate trends have recently been somewhat unfavorable to business, as a result of the sharp competition between financial institutions which are trying to attract the largest amount of money possible from savers by offering appealing rates. This has hurt the business sector and the construction industry, an industry which, in my opinion, is a strategic factor in our economic recovery policy, and has also caused the cost of investments to rise. This restrictive monetary policy has had one positive effect: it has lowered inflation

to a single-digit level--8.3 percent, according to the Central Bank report. But the average unemployment rate was 7.1 percent in 1982, according to the end-of-the-year report by the economic cabinet. However, this official figure differs vastly from the figures cited by the CTV [Confederation of Venezuelan Workers], which estimates the unemployment rate to be 14 percent, and by FEDECAMARAS [Association of the Chambers of Commerce and Industry], which quotes a figure of 13 percent.

Moreover, the GNP grew by 0.4 percent in 1982, according to the BCV [Central Bank of Venezuela]. This small growth in the GNP is a positive factor, and to some extent, it was unexpected, due to the difficult conditions prevailing in the international oil market. The problems of the oil market have caused oil revenues to decline. The government has dealt with this by cutting public spending, by increasing nonpetroleum earnings, and by stimulating agricultural and industrial production. Calderon Berti did say that oil revenue will be 56 billion bolivars, with a production of 2 million barrels per day, and exports of 1.6 million barrels, with an average adjusted sales price of \$27.63 per barrel. It has been estimated that nonpetroleum earnings will amount to 30 billion bolivars. These two figures come to a total of 86 billion bolivars, which is totally committed to government spending and to debt service. Just the foreign debt alone now amounts to \$28 billion, of which \$19.9 billion is due in 1983. This places us fifth in the world in the amount of foreign debt owed (TIME magazine, 10 January 1983). Where is the rest of the money needed to make up the 95 billion bolivars for the 1983 budget going to come from?

The oil situation seems somewhat unfavorable, since OPEC was unable to reach an agreement at its last meeting in 1982, held in Vienna on 19 and 20 December, on distributing the per-country production quota. This will weaken the cartel and the international oil market. If the OPEC members want to produce more than the quotas set in March, that will lower crude prices, which will in turn cause government oil revenues to decline.

1983 is a great year for Venezuela, since it marks the 200th anniversary of the birth of our Liberator, Simon Bolivar. It also marks the anniversary of 25 years of our democracy. We will act as hosts for the 9th Pan-American Games, and we will also have presidential elections. Unfortunately, though, I believe that 1983 will not be the year of our economic recovery. We will have to try to keep the elections from influencing the nation's economic activity, for it is quite possible that in an election year government spending may be a factor in the expansion of demand, given the administration's interest in improving its image in relation to jobs and investments.

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OIL REVENUE DROP EXPECTED TO BOOST EXPORT DIVERSIFICATION

Caracas EL DIARIO DE CARACAS in Spanish 11 Feb 83 p 19

[Text] The need to increase currency earnings from nonpetroleum exports is boosting confidence that greater attention will be paid to the problems of nontraditional exports. These problems are described in an "action program," along with measures for the short and midterm periods, presented to the government by AVEX [Venezuelan Export Association].

Any development model prepared for the nation's future must inevitably deal with the nontraditional export sector, says AVEX, in explaining its activities for the past 20 years, and its maintenance of a "steady and well founded optimism about the development of our country's export potential." The association adds that this year, there are some new factors "which are going to help our sector of production, services, and engineering to structure favorable conditions" to produce positive results. This new situation should be used to increase our national exports. The association feels that "the recent protectionist measures established by the ministry of development, within a framework of flexibility when handling commercial negotiations, form an important basis for the use of our installed capacity." This should enable us not only to supply the domestic market, but "a percentage of this new productivity should be programmed for export to foreign markets." The optimism of AVEX goes even further, considering that two of its requests made of the government will serve as a support for exporters, along with the commercial offices already established abroad. These two requests, part of its "action program" for this year, are: an increase in financing, and a positive attitude in considering export requirements.

The action program which the exporters have proposed to the government includes both short and midterm measures. It calls for an immediate "expansion of the government's financing

services, acting through the Export Financing Fund, and the Venezuelan Investment Fund, plus the creation of an adjustment fund to cover interest rate differentials in the world market." Another request affecting industry, so that products manufactured in Venezuela can compete abroad, is that raw materials produced here be sold to the processing industries at international prices. This is of specific interest for steel and aluminum products and petrochemicals produced in Venezuela. They also feel it is essential "to organize and establish a transport policy for the Caribbean and Central America, so that the promotion efforts may be furthered, and not be reduced to idle speculations." For the midterm period, they are calling for the creation of an Export Bank and the organization in Venezuela of a Latin American and Caribbean Applied Technology Institute.

In addition, it is assumed that the situation of the oil industry, which has already lasted for over a year, and which threatens to become a structural situation affecting the economy and above all, revenue for the national budget, will force Venezuela to seek new foreign currency earnings, distinct from oil revenues. If that is the case, this should be the year for a surge in nontraditional exports.

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